

Comparison of the Major Changes between the Trade Marks Ordinance (Cap.43) (“TMO”) and the Trade Marks Bill (“The Bill”)

<u>TMO</u>	<u>The Bill</u>	<u>Reasons for Changes</u>
<p>1. Section 2 (Interpretation)</p>	<p>Clause 2 (Interpretation) Clause 3 (Meaning of "trade mark")</p>	<ul style="list-style-type: none"> • Trade marks are currently only published in the Government Gazette under the TMO. The Bill provides an alternative by inserting a definition of “official journal” which means the publication specified by the Registrar under Clause 71(1) as the official journal of record. • Trade marks under the TMO have to be visually perceptible. This requirement is removed in the Bill. The broader definition means that even sound and smell marks may be registered.
<p>2. Sections 3/4 (Register of trade marks)</p>	<p>Clause 65 (Register to be kept)</p>	<ul style="list-style-type: none"> • At present, the TMO provides for “Part A” or “Part B” registration. Under the Bill, there will not be any classification of trade marks entered in the register. The Bill will therefore simplify the registration of trade marks.

<u>TMO</u>	<u>The Bill</u>	<u>Reasons for Changes</u>
3. Sections 9/10 (Registration in "Part A" and "Part B")	Clause 3 (Meaning of "trade mark")	<ul style="list-style-type: none">• Sections 9 and 10 set out the TMO tests for registration in Part A (“adapted to distinguish”) and Part B (“capable of distinguishing”).• The test in the Bill is “capable of distinguishing”. This test (corresponding to former Part B) is adopted because it is clearer in terms of its legal meaning.
4. Section 12 (Restriction on registration)	Clause 10 (Absolute grounds for refusal of registration)	<ul style="list-style-type: none">• Section 12 of the TMO is largely reproduced in Clause 10 of the Bill.• Under the Bill, a trade mark may not be registered if it is in breach of the "absolute grounds" in Clause 10. The "absolute grounds" are provided for in Section 3 of the UK Trade Marks Act 1994 and are derived to a large extent from Article 6(5) of the Paris Convention for the Protection of Industrial Property.

<u>TMO</u>	<u>The Bill</u>	<u>Reasons for Changes</u>
5. Section 16 (Registration subject to disclaimer)	Clause 14 (Disclaimers, limitations and conditions)	<ul style="list-style-type: none"> • Under Section 16 of the TMO, the Registrar of Trade Marks (or Court) may demand a disclaimer from an applicant before his trade mark is registered. • Under Clause 14 of the Bill, it will be for an applicant to decide whether to offer a disclaimer. The aim is to avoid contentious argument on whether the Registrar has been right to demand a disclaimer and cut down the processing time for an application.
6. Sections 17(2) and 45	Clause 47 (Duration of registration)	<ul style="list-style-type: none"> • Under the TMO, the initial registration of a trade mark is for 7 years and renewable for periods of 14 years each. Under the Bill, a trade mark is registered for 10 years and renewable for periods of 10 years each.
7. Sections 19 and 19A (Joint Ownership)	Clauses 25(1) (Nature of registered trade mark) Clause 26 (Co-ownership of registered trade mark)	<ul style="list-style-type: none"> • Under the TMO, the nature of the property right in a trade mark is not spelled out. A joint tenancy is provided for under Sections 19 and 19A. • The Bill makes it clear that a registered trade mark is a personal property. A tenancy in common is provided for under Clause 26 whereby a trade mark is registered in the name of two or more persons jointly. This is more in line with commercial practices.

<u>TMO</u>	<u>The Bill</u>	<u>Reasons for Changes</u>
8. Section 20 (Prohibition of registration of identical and resembling trade marks)	Clause 11 (Relative grounds for refusal of registration)	<ul style="list-style-type: none">• Section 20 of the TMO deals with conflicts with earlier registered trade marks as a ground for refusing an application. Clause 11 (relative grounds), based on Section 5 of the UK Trade Marks Act 1994, provides much broader grounds for refusing an application and in particular includes conflicts with an earlier unregistered mark under Clause 11(5).
9. Section 21 (Applications for registration of identical or resembling trade marks)	-	<ul style="list-style-type: none">• Section 21 of the TMO has not been reproduced. In practice, such matters will be dealt with under the Bill by way of opposition proceedings under Clause 42.
10. Section 24 (Associated Trade Marks)	-	<ul style="list-style-type: none">• The concept of “associated trade marks” does not exist under the Bill. These are trade marks belonging to the same proprietor (in respect of the same goods or services) which are nearly identical or closely resemble each other. This concept is considered no longer necessary.

<u>TMO</u>	<u>The Bill</u>	<u>Reasons for Changes</u>
11. Section 26 (Series of Trade Marks)	Clause 49 (Division, merger and registration of series)	<ul style="list-style-type: none"> • Under Clause 49 of the Bill, it will be possible to divide an application for the registration of a trade mark into separate applications, merge several applications into one application, and merge separate registrations into one registration. • There is no equivalent under the TMO.
12. Sections 27, 27A, 28 and 28A (Rights given by Registration)	Clauses 15 to 18 (References to infringement) (References to infringing goods, material or articles) (Infringement of registered trade mark) (Exceptions to infringement)	<ul style="list-style-type: none"> • Infringement under the TMO is narrowly focussed and only embraces an identical or nearly resembling trade mark in respect of identical goods or goods of the same description. • The Bill is more detailed as to what infringing goods, materials or articles are (Clause 16). Under the Bill, the scope of infringement is broadened.
13. -	Clause 17(7) (Comparative Advertising)	<ul style="list-style-type: none"> • Clause 17(7) of the Bill legitimizes comparative advertising. Comparative advertising (provided it is honest) is useful for consumers. • There is no equivalent clause in the TMO.

<u>TMO</u>	<u>The Bill</u>	<u>Reasons for Changes</u>
14. Section 27(3)(a)	Clause 19 (Exhaustion of rights conferred by registered trade mark)	<ul style="list-style-type: none">• Clause 19 of the Bill deals with the exhaustion of rights conferred by a registered trade mark. This provides in clearer terms than the TMO the circumstances under which such rights will be exhausted.
15. -	Clauses 20-23 (Action for infringement) (Order for delivery up) (Limitation on order for delivery up) (Order for disposal)	<ul style="list-style-type: none">• Compared with the TMO, the Bill provides more specific provisions on proceedings relating to infringement including action for infringement (Clause 20) and the orders which may be sought from the court (Clauses 21 and 23).
16. -	Clause 59 (Collective marks)	<ul style="list-style-type: none">• The TMO contains no provisions for a collective trade mark. This is provided for in the Bill.• Hong Kong is under an obligation to provide protection for collective marks in accordance with Article 7bis of the Paris Convention, which applies to Hong Kong.

<u>TMO</u>	<u>The Bill</u>	<u>Reasons for Changes</u>
17. Sections 41 to 44 (Assignment)	Clause 27 (Registration of transactions affecting registered trade mark)	<ul style="list-style-type: none">• The TMO's provisions regarding assignments are complex and unnecessarily bureaucratic in today's circumstances. For example, under Section 41(6), where an assignment does not involve the goodwill of the business, the Registrar of Trade Marks has to approve advertisements in relation to such assignment in local newspapers.• The Bill seeks to simplify assignments of registered trade marks (see Clause 27).
18. Sections 43	Clause 27 (Registration of transactions affecting registered trade mark)	<ul style="list-style-type: none">• The Bill enables certain transactions, for example, assignments, licences, security interests and orders of the Court, to be registered Clause 27(2).• The consequences of failing to register a registrable transaction are spelled out in Clause 27(3) and (4) whereby certain civil remedies for infringement will not be available.• The registrable transaction concept is not provided for under section 43 of TMO, as a result of which the Registry is not updated because such transaction is in practice not reported to the Register.

<u>TMO</u>	<u>The Bill</u>	<u>Reasons for Changes</u>
19. Sections 55 to 57 (Defensive Trade Marks)	Clause 58 (Defensive trade marks)	<ul style="list-style-type: none"> • Under the TMO, a defensive trade mark may only be registered in respect of invented words or a device mark or a combination of them. No such limitation exists under the Bill.
20. -	Clause 24 (Proceedings for relief from groundless threats of infringement proceedings)	<ul style="list-style-type: none"> • There is no remedy for groundless threats under the TMO. • The Bill provides a remedy to anyone who has been threatened with an action for the infringement of his rights under the Bill if the action is groundless
21. -	Clause 75 (Language of proceedings before Registrar)	<ul style="list-style-type: none"> • There is no provision in the TMO dealing with bilingualism. Clause 75 of the Bill deals with the language of proceedings.
22. Section 88 (Restraint of use of Royal Arms)	-	<ul style="list-style-type: none"> • Section 88 is not reproduced in the Bill as it is no longer appropriate after the reunification.

Trade and Industry Bureau
September 1999