

Bills Committee on Trade Marks Bill

Explanatory Note on the Draft Committee Stage Amendments (CSA) to be moved by the Secretary for Trade and Industry

<u>Clause No.</u>	<u>Explanation</u>
Preamble	This CSA makes it clear that the Trade Marks Bill is intended to mark a clean break with the past and that the legal presumptions associated with the Trade Marks Ordinance (Cap.43) are not to apply.
2(1)	<ul style="list-style-type: none">• This CSA revises the definition of “Paris Convention Countries” so that it is no longer necessary to separately designate the territories of the member countries, as required under the existing Cap. 43. The new definition brings the Trade Marks Bill more in line with the Patents Ordinance and the Registered Designs Ordinance.• It is now proposed that the names of both Paris Convention Countries and WTO members should be specifically specified in Schedule 1 (please refer to the CSA for Clause 91).• In response to the comment of the LegCo Legal Services Division (LSD) regarding Clause 67 (Issues List A - 67), the definition of “certified” has been moved from Clause 78(5) to Clause 2.
3(2)	In response to comments from LS and INTA (Issues List A ¹ - 3(2)), the definition of what a trade mark may consist of has been amended to include “characters”, “colours” (instead of "combination of colours"), sounds and smells. A simple colour or combination of colours

¹ List of issues (both policy and drafting) raised in submissions to the Bills Committee (as at 22 Feb 2000) - LC paper no. CB(1)1044/99-00(01)

<u>Clause No.</u>	<u>Explanation</u>
	will both be registrable because the Interpretation and General Clauses Ordinance (Cap. 1) provides that the plural includes the singular.
4	<ul style="list-style-type: none">• 4(a) is a drafting point.• 4(b). In response to INTA's comments (Issues List A - 4(1)), this sub-clause now refers to Schedule 2 which sets out guidelines for the Court or the Registrar to determine what is a “well-known” trade mark. Schedule 2 has been adapted essentially from Article 2 of the WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks.
8A	Our policy intention remains that the application of the Trade Marks Bill should be extended to cover all persons and organs, including the HKSAR Government and the offices set up by the Central People’s Government in Hong Kong. However, we agree with the Bills Committee that the drafting of the Clause 9(3) could be improved to better reflect this policy intention. Under the new Clause 8A, the Bill will apply to the HKSAR Government. We will continue to work on an appropriate application formula and introduce it as soon as possible.
9(3)	This has now been deleted and replaced by new Clause 8A.
11	<ul style="list-style-type: none">• Reference to “reputation” in Clause 11(4) has been deleted and replaced by reference to “entitled to protection under the Paris Convention as a well-known trade mark” which is defined in Clause 4(1). Clause 11(4) deals with the registration of an identical or similar mark in respect of dissimilar goods or services. It is felt that “well-known trade mark” is the correct term to be used, particularly in the light of Article 16(3) of the TRIPS Agreement, which states that Article 6<i>bis</i> of the Paris Convention shall apply in

<u>Clause No.</u>	<u>Explanation</u>
	<p>respect of goods or services which are not similar to those in respect of which a trade mark is registered. Article 6<i>bis</i> of the Paris Convention refers to well-known trade marks.</p> <ul style="list-style-type: none"> • Clause 11(8) is amended so that the Registrar can no longer refuse a registration where there is consent. This is noted in the Issues List B² -11(8).
12(1)(b)	<p>In response to LSD's comments (Issues List A - 12(1)(b)), this sub-clause has been reviewed. The amendment brings the wording of Clause 12(1)(b) in line with Section 22 of Cap. 43.</p>
13(2)	<p>This amendment is necessary as a result of new Clause 19A.</p>
17	<ul style="list-style-type: none"> • Clause 17(4)(b): See Issues List B - 17(4)(b) and explanation given in respect of Clause 11. • Clause 17(7): See Issues List B -17(7). This sub-clause has been replaced by the new Clause 19A.
18(3)	<p>The sub-clause has been revised to allow use by a person of the name of his predecessor in business (See Issues List B - 18(3)(a)).</p> <p>A change is also necessary to deal with a formatting error noted in Clause 18)(3) of the Blue Bill. The words “provided the use is in accordance with honest practices in industrial or commercial matters” should qualify the whole of Clause 18(3).</p>
19A	<ul style="list-style-type: none"> • See Issues List B - 17(7). Clause 19A makes express reference to advertising and to improve the drafting of the last two phrases in Clause 17(7) of the Bill.

² Issues raised during clause-by-clause examination of the Bill (as at 27 April 2000) - LC paper no. CB(1)1477/99-00(01)

<u>Clause No.</u>	<u>Explanation</u>
	<ul style="list-style-type: none">• Note that Clause 19A makes no reference to “without due cause” as it has been agreed by the Bills Committee that this is no necessary.• Clause 19A(3) has been introduced as a result of representations from the Bar, where it is concerned that Clause 19A will cause confusion in the interpretation of Clause 19.
24(7)	This CSA addresses the concerns raised by the Bills Committee (see Issues List B) that the relief against groundless threat of infringement proceedings could be used against legal practitioners who act for their clients.
25(5)	This CSA clarifies that “the requirement” mentioned in Clause 25(5) means the requirement that the assignment or assent be signed.
37	This CSA is designed to remove reference to the payment of fees in respect of a filing date and to improve the wording of this clause. This matter was raised in Issues List B.
40	This CSA amends Clauses 40(3) and 40(4) to deal with the issue of time limits. The prescribed period is dealt with in Rule 11 of the Trade Marks Rules (Draft 2, 8.2.00). Note that the period referred to in Rule 11 is one that may be extended under Rule 65(1) of the Trade Marks Rules.
43	This CSA is made because the question of restriction of goods and services covered by a trade mark registration is dealt with in the CSA to Clause 44.
44	This CSA deals with the amendment of an application to restrict the goods and services to be covered by the trade mark registration being sought. Sub-clause (2A)(b) is designed to deal with matters like the removal of a mark in a series of trade marks.

<u>Clause No.</u>	<u>Explanation</u>
48(7)	As per Issues List B - 48(7).
49(2)(b)	This CSA deals with a drafting point.
50	<p>See Issues List B - 50(2)(a)&(b) and 50(2)(c).</p> <p>This CSA is designed to -</p> <ul style="list-style-type: none"> (a) merge Clauses 50(2)(a) and (b) of the Bill; (b) expand Clause 50(2)(c) of the Bill to cover trade marks which may not be a name; (c) add a new Clause 50(3)(c) to replace Clause 50(8), the drafting of which has been criticized by some consultees (Issues List A - 50(8)); and (d) add a new Clause 50(8) to clarify what is meant by a 3-year period referred to in new Clause 50(2)(a).
51	<ul style="list-style-type: none"> • Clause 51(3): As per Issues List B - 51(3). • Clause 51(5): This CSA deals with a drafting point. • New Clause 51(6) is consequential to the amendment to Clause 11(8).
52(2)	This CSA deals with a drafting point.
55	<ul style="list-style-type: none"> • Clause 55(5): This CSA caters for the fact that besides particulars relating to the owner and the licensee, particulars relating to persons having an interest in or charge on a registered trade mark may be entered on the Register, and these particulars may be changed. • Clause 55(6) has been re-phrased, and covers not only

<u>Clause No.</u>	<u>Explanation</u>
	“error”, but also “omission” in the register.
58	<p>Clause 58 deals with defensive trade marks.</p> <ul style="list-style-type: none">• The CSA to Clause 58(1) is designed to establish the same test for defensive trade marks which exists in Section 55(1) of Cap.43.• The CSA to Clause 58(7) of the Bill results from the CSA to Clause 50 (see above).
59(2) 60(2)	These CSAs are required as a result of re-numbering.
68	<ul style="list-style-type: none">• The possibility of a CSA was mentioned at a meeting of the Bills Committee on 27.3.00.• Clause 68 of the Bill refers to discretion vested in the Registrar. This may be too narrow. For example, when the Registrar decides to reject a mark on the “Absolute Grounds”, there may be no element of discretion involved. Yet it is right that before rejecting a mark, the Registrar should give an applicant the right to be heard. The CSA to Clause 68 is designed to clarify such matters since it refers to a “decision” rather than “discretion”.
70(3)	This CSA is consequent to the amendment to Clause 43.
73	<ul style="list-style-type: none">• As per Issues List B - 73, this clause is deleted in the light of strong opposition from practitioners.• The documents that can be inspected are specified under Rule 48 of the TM Rules (Draft 2, 8.2.00).
78(5)	The definition of “certified” has been moved to Clause 2.

<u>Clause No.</u>	<u>Explanation</u>
81	The reason for this CSAs is set out in Issues List B - 81.
85(1)	This CSA removes the exemption for the Registrar's liability to costs in court proceedings as a result of discussions at the meeting of Bills Committee held on 4.5.00.
91	The reason for this CSA is set out in the Issues List B - 91(a).
95(4)	This CSA is necessary as a result of apparent discrepancies between the English and Chinese texts (Issues List A - 95(4)).
96, 97	These CSAs effect re-numbering of clauses.
Schedule 1	A CSA is necessary to renumber this as Schedule 3. The Amendment to Section 4(3) is consequent to the changes to Clauses 43 and 44.
Schedule 2	A CSA is necessary to renumber this as Schedule 4. The Amendment to Section 5(3) is consequent to the changes to Clauses 43 and 44.
Schedule 3	<ul style="list-style-type: none"> • A CSA is necessary to renumber this as Schedule 5, and to amend certain cross-references to Schedules as a result of re-numbering. • The CSA to Section 8(6) is made to clarify that any application to register title to a trade mark made <u>on or after</u> the commencement date proceeds under Clause 27 of the Bill. • The CSA to Section 10 is to clarify that Section 15 of the repealed Trade Marks Ordinance and other provisions relating to oppositions to registration will continue to apply to applications for registration made under the old law.

<u>Clause No.</u>	<u>Explanation</u>
	<ul style="list-style-type: none"> • The CSA to Section 11(3) is to clarify that the converted application is treated as having been made <u>on</u> the commencement date. • The CSA to Section 16(2) is consequential to the CSAs to Clause 50 of the Blue Bill as described above. • The CSA to Section 18(1) deals with renumbering.
<u>Annex to Schedule 3</u> Heading	This CSA deals with renumbering.
S.37(2A) (a) and (b)	This CSA brings the text in line with the recently adapted text under the Trade Marks Ordinance (see Section 3 of Ordinance No. 22 of 1999).
Schedule 4	<ul style="list-style-type: none"> • This CSA effects a renumbering of Schedule 4 to Schedule 6. • The CSA deletes Clauses 7, 8 and 11. The Bills Committee is concerned that these criminal offences should not be regarded as consequential amendments (Issues List B - Paras.7, 8 &11 in Schedule 4). • The CSA adds a new Clause 8 which consequentially amends Section 9(3) of the Trade Descriptions Ordinance (TDO). The main changes are the replacement of references to “assent” by “consent; the replacement of “proprietor” by “owner”; and the deletion of references to Sections 27 and 67 of Trade Marks Ordinance (Cap.43). • The CSA adds a <u>new Section 9(3A)</u>. The wording is designed to re-state the <u>defence</u> (in wording consistent with the Trade Marks Bill) currently available under

<u>Clause No.</u>	<u>Explanation</u>
	the existing Section 9(3) of the TDO which provides “unless he proves that he acted without infringing the right of the proprietor of the trade mark conferred by section 27 or 67 of the Trade Marks Ordinance (Cap.43) ...”

Trade and Industry Bureau
May 2000

[d1\23\csa-explanation.doc]