

Bills Committee on Trade Marks Bill

List of drafting issues raised in submissions to the Bills Committee

(Revised as at 26 January 2000)

| Clause No. | Name of organization | Issues | Administration's Response |
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| 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 What if a country has withdrawn from the Convention?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 | In clause 3(1), replace the words "capable of distinguishing" with "for the purpose of distinguishing" or even "distinguishing". <u>Second response</u> Extend the definition of "trade mark" to signs which are either "capable of distinguishing or which are capable of acquiring distinctiveness through use". | <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. |

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| 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>Will propose a CSA to add "a colour".</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> <p>Do not agree. Hong Kong should maintain a separate intellectual property regime from other parts of China. "Well-known" should be judged to "well-known" in Hong Kong.</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> |

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| 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". | Do not agree. |
| 10(3) | LS | "shape" should not be excluded from registration. | <ul style="list-style-type: none"> ● Exclusion of "shape" has been in our law (s.12(3) of TMO) since 1996. ● No amendment is required. |
| 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) | CC ITMP LSD Barry Yen | <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 Work 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 | Too wide a discretion for Registrar to register a trade mark. Should add "just and equitable" before the word "circumstances". | 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". |

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| 16(2) | ITMP | Potential loophole if infringing trade mark was applied to goods before trade mark was registered. | 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. |
| 16(2)(a) | LS | Add "or would constitute an infringement if applied to goods in Hong Kong" at the end of clause. | <ul style="list-style-type: none"> ● Not agreed. ● Clause 13(1) establishes a territorial test so that a trade mark owner's rights are infringed only by the "use of the trade mark in Hong Kong". |
| 16(3)(b) | LS | Add "if applied to goods in Hong Kong" at the end of clause. | See clause 16(2)(a). |
| 17(2)(b) | ITMP, Deacons and LS | Clause should be deleted or revised, i.e. no confusion is necessary. | Clause deals with element of confusion and is defined in clause 7. |
| 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> | <p>Not understood.</p> <p>Consistent with Article 16(3) of the TRIPS Agreement.</p> |
| 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. | See clause 16(2)(a). |
| 17(5)(g) and 17(6) | LS | Add "including electronic documents, whether or not in human readable form". | Wordings wide and clear and embraces electronic use. |

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| 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. | See clause 16(2)(a). |
| 17(7) (see extracts) | <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> | <p>Unnecessarily restrictive. What if the comparative advertising takes place on the container surrounding a particular product?</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>Section 10(6) of the UK Act has been applied in a number of cases without difficulty.</p> <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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| 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>Do not agree. "Date of transaction" is amply clear. No amendment is necessary.</p> <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. |

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| 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? | This issue is beyond the ambit of this Bill. |
| 40(3) and 42 | <p>ITMP</p> <p>INTA and LS</p> <p>Lloyd Wise</p> | <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>CSA will be proposed to Clause 40(3) such that the time limit will be prescribed in the Trade Marks Rules. But we do not agree that there should be more extensions of time for filing notices of opposition.</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. |

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| 69 | ITMP LSD | Not clear whether parties to proceedings before the Registrar could call witnesses. New. | It is clear and self-evident that the parties may request the Registrar to summon witnesses. This expands on section 83 of TMO. |
| 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. |

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| <p>77 (see extracts)</p> | <p>ITMP and Deacons</p> <p>Deacons</p> <p>LSD</p> | <p>Should be deleted. The Registrar should be bound by the same rules of evidence as the court.</p> <p><u>Second response</u></p> <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. <p><u>Third response</u></p> <ul style="list-style-type: none"> ● If the Registry applied a lower standard than the courts regarding admissibility of evidence, this will encourage forum shopping and encourage use of Registry proceedings as a "dry run" to test and perfect their case. ● <i>Dualit Limited v Rowlett Catering Appliances Limited</i> referred. <p>New.</p> | <p>Important to retain this provision.</p> <p>The tribunals of law (as opposed to courts) should have a more informal approach to evidence is well illustrated by various tribunals such as Small Claims Tribunal, Labour Tribunal.</p> <p>This Clause is designed to nullify the effect of St. Trudo's case (1995) FSR 345.</p> |
| <p>81</p> | <p>LSD</p> | <ul style="list-style-type: none"> ● New. ● Add "or the licensee" after "the owner". | <p>The owner is the best person to prove whether a mark has been used. No need to add "or the licensee".</p> |
| <p>84</p> | <p>LSD</p> | <p>New.</p> | <p>Section 79(2) of TMO is covered by clause 84.</p> |

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| 85(1) | LSD | <ul style="list-style-type: none"> ● Why is that "the Registrar shall not be ordered to pay the costs of any other of the parties"? ● Any ordinance other than those intellectual Property Ordinance has this provision? | <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. |

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| 87 | ITMP and Lloyd Wise LS | <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> <p>Needs further consideration. Not possible to plan for a register in the absence of any professional body providing the proper training.</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) | ITMP Barry Yen | <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> |

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| 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. |

- * CC - Consumer Council (CB(1)1918/98-99(02))
- Deacons - Deacons, Graham & James (CB(1)1970/98-99)
second response under. CB(1)698/99-00 and
third response under CB(1)871/99-00
- 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 Service 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 Second Response to Deacons (CB(1)874/99-00(02))
- Administration's Response to INTA (CB(1)676/99-00(03))
- Administration's Response to ITMP (CB(1)676/99-00(04))
- Administration's Response to LS CB(1)874/99-00(01)

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26 January 2000