

Bills Committee on Trade Marks Bill - Outstanding Issues

Introduction

This note sets out the Administration's response to a number of outstanding issues raised during the scrutiny of the Trade Marks Bill (please refer to "Issues Raised During Clause-by-Clause Examination of the Bill", LC paper no. CB(1)1477/99-00(01)).

Clauses 20-23 - Questions on the Jurisdiction of the District Court

2. While we have no policy objection to extending jurisdiction to the District Courts to deal with trade mark matters, the Judiciary Administrator has advised that they would need to consider the proposal in more detail in a separate exercise, including factors such as resources implications, the distribution of workload between the District Court and the Court of First Instance, and the general question of cost-effectiveness.

3. Members may wish to note that under the UK Trade Marks Act 1994, trade mark matters are considered by the High Court instead of County Courts.

Clause 69 - Calling Witnesses

4. Section 83 of the Trade Marks Ordinance (Cap. 43) provides that in any proceeding before the Registrar, the evidence shall be given by statutory declaration in the absence of directions to the contrary. The normal mode of giving evidence is therefore by statutory declaration. A party is not entitled to call witnesses as of right. If he seeks to supplement his evidence or wishes to cross-examine the other party's deponents, he may apply to the Registrar (in the Registrar's capacity as a tribunal) and show why it is appropriate in the circumstances to depart from the usual course of evidence by statutory declaration.

5. Section 83 of Cap.43 also provides that in any case in which the Registrar shall think it right to do so, he may take evidence *viva voce* in lieu of or in addition to evidence by declaration. Accordingly, on

application by a party to call witness, the Registrar is given power to allow it if he considers it is appropriate.

6. This practice is followed in Clause 69 of the Trade Marks Bill, which empowers the Registrar to, *inter alia*, summon witnesses and receive oral evidence. Rule 56 of the draft Trade Marks Rules (Draft 2) also provides that evidence shall be filed by way of statutory declaration or affidavit, and that the Registrar may in any particular case take oral evidence in lieu of or in addition to such evidence and shall, unless he otherwise directs, allow any witness to be cross-examined on his statutory declaration, affidavit or oral evidence.

Clauses 55(6) and 74 - Government Liability and Immunity of Registrar

7. Section 4(5) of the Crown Proceedings Ordinance (Cap. 300) provides that “No proceedings shall lie against the Crown by virtue of this section in respect of anything done or omitted to be done by any person while discharging or purporting to discharge any responsibilities of a judicial nature vested in him, or any responsibilities which he has in connection with the execution of judicial process.” Clerk & Lindsell on Torts (17th Edition), explains at paragraph 16-01 on page 769 that a judicial act is one which involves the exercise of a discretion in which something has to be heard and decided.

8. In Everest v. Griffiths and Others 1 AC [1921] 631, Lord Atkinson in the House of Lords at 682 held that “whether a proceeding is a judicial proceeding or merely an administrative proceeding depends much more on what is authorised to be done by the named authority : what is done, and the effect of the act upon the rights and interests of others. And it is, I think, well established that no person can be sued in an action such as the present for doing a judicial act if, in doing it, he acts honestly.” Lord Atkinson agrees with the definition of judicial act in the Irish case of R. v. Dublin Corporation [1878] 2 L.R. Ir.37, 376 that “the term ‘judicial’ does not necessarily mean acts of a judge or of a legal tribunal sitting for the determination of matters of law, but for the purpose of this question a judicial act seems to be an act done by competent authority, upon consideration of facts and circumstances, imposing liability and affecting the rights of others.”

9. Under the Bill, the Registrar will receive, examine and approve applications for registration of trade marks. He may revoke any registration and may permit any party who may be adversely affected by his determination an opportunity to be heard. He arrives at his decision after taking into account the relevant factors, and his decision may impose liabilities on any person who made or caused to be made a false entry in the Trade Marks Register. Such acts are therefore quasi-judicial duties exercised by the Registrar, and the immunity provided for in Clause 74 is therefore appropriate. On the principles of Section 4 of Cap.300, no proceedings should lie against the Government in respect of these acts.

10. In relation to Clause 74(a), it is to be noted that the Trade Mark Register is only *prima facie* evidence of anything required or authorised by the Ordinance or the rules to be registered (Clause 78(1) of the Bill). A lot of information in relation to a trade mark are provided by the applicant. The Registrar examines a trade mark application on the basis of information then available before him. It is possible that due to subsequent events, for example, acts or inactivity of the owner causing a trade mark to become a common name in the trade for the relevant goods, a trade mark registration is liable to be revoked (Clause 50(2)(c)). Notwithstanding an entry on the register, a person may challenge the validity of a registration (e.g. Clauses 50, 51). It is therefore appropriate to provide in Clause 74(a) that neither the Registrar nor any public officer shall be taken to warrant the validity of the registration of a trade mark under the Ordinance.

Clause 85(1) - Cost of Proceedings

11. We set out at the Annex a table of cases in the past where a party appealed to the High Court against the Registrar's decision.

12. For *inter partes* matters (opposition, rectification) on appeal to the High Court, cost usually follows the event, and the losing party pays costs. The Registrar is never ordered to pay costs. For *ex parte* matters (the most common being appeals against Registrar's decisions refusing registration or allowing registration subject to conditions), where the appeal is allowed or allowed in part, there is usually no order as to costs.

13. A third group of cases where the Registrar is party to High Court proceedings is where action is commenced in the High Court and involves variation or rectification of the register (Section 77 of the Trade

Marks Ordinance, Rules O.100 of the Rules of the High Court and Clause 82 of the Trade Marks Bill). The Registrar seldom appears unless he is required by the Court or he considers there are matters of public interest involved. The Registrar is never ordered to pay costs in these proceedings.

14. We do not think it is appropriate that the Registrar should pay costs in such proceedings. The Registrar in his quasi-judicial role should not be liable for costs should his decision be appealed against (please also refer to paragraphs 8-11 above). This is analogous to the example where a lower court does not pay costs if its decision is reversed on appeal. The lower court, in the case of the Trade Marks Bill the Registrar, should be free from considerations of its own liability to pay costs in arriving at its decision .

Trade and Industry Bureau
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[d1\23\tmb-outstanding]

CASES OF APPEAL TO THE HIGH COURT AGAINST REGISTRAR'S DECISION

I. Registrability

Reference	Trade Mark	Decision	Cost Order
HCMP 203 of 1979	Soflens	Appeal allowed	No order as to costs
HCMP 2214 of 1985	VIRGINIA SLIMS & Device	Appeal allowed in part	No order as to costs
HCMP 1291 of 1989	PRINCE SOVEREIGN & Device	Appeal dismissed	Costs to the Registrar
HCMP 3815 of 1999	555 & Device	Appeal dismissed	Costs to the Registrar

II. Opposition

Reference	Trade Mark	Decision	Cost Order
HCMP 2102 of 1988	MEPTIN	Appeal dismissed	Appellant (Opponent) ordered to pay costs.

HCMP 2443 of 1992	Borsalini	Appeal allowed	Respondent (Applicant for registration) ordered to pay costs.
HCMP 638 of 1994	HICALIQ	Appeal dismissed	Appellant (Opponent) ordered to pay costs.
HCMP 43 of 1995	OMEGA & Device	Appeal allowed	Respondent (Applicant for registration) ordered to pay costs.
HCMP 301 of 1998	Markwise	Appeal dismissed	Appellant (Opponent) ordered to pay costs.

III. Rectification

Reference	Case	Decision	Cost Order
HCMP 3003 of 1995	Gay Giano	Rectification order sought granted	Respondent (registered proprietor) ordered to pay costs.