

## **Bills Committee on Trade Marks Bill**

### **Different Terms Used in the Trade Marks Bill and the Trade Descriptions Ordinance**

#### **Introduction**

As requested by the Bills Committee at its meeting on 11 February 2000, this note sets out the reason for the use of different terms in the Trade Marks Bill and the Trade Descriptions Ordinance (Cap. 362).

#### **The Trade Marks Bill and the Trade Descriptions Ordinance**

2. The Trade Marks Bill covers civil actions including infringement and rectification of the Register. The successful plaintiff in an infringement action, for example, may be granted an injunction and awarded damages or account of profits. On the other hand, offences under the Trade Descriptions Ordinance attract criminal penalties. A person who commits an offence under section 9 of the Trade Descriptions Ordinance (offences in respect of trade marks) is liable on conviction on indictment to a fine of \$500,000 and to imprisonment for 5 years; and on summary conviction to a fine of \$100,000 and to imprisonment for 2 years.

3. The difference in nature of the two types of actionable wrongs calls for different criteria to found the actions. The criteria, for example, to found an action in tort for trespass to the person is different from the elements essential to prove the crime of common assault, although both wrongs may arise from the same set of facts.

#### **The Difference in Civil and Criminal Wrongs**

4. The common objective of civil proceedings is the recovery of property or the enforcement of a right or advantage on behalf of the plaintiff.

Whereas in criminal proceedings, the objective is the punishment of a person who has committed a crime. To constitute an offence, the behaviour in question must be so serious that it goes beyond what can properly be dealt with on the basis of compensation as between one individual and another, and regulation of such behaviour is in the public interest. The elements of the offence should also be precise and capable of being enforced.

5. The Trade Descriptions Ordinance refers to “falsely applied to any goods any trade mark or any mark *so nearly resembling a trade mark as to be calculated to deceive*” (section 9(1)(b)), instead of “*uses a sign which is similar to the trade mark*” (Clause 17(3) of the Trade Marks Bill). The substitution of the former with the latter criterion in the Trade Descriptions Ordinance would broaden the offence and impart less precision. The Trade Descriptions Ordinance does not draw upon the existing Trade Marks Ordinance for the definition of the expression “so nearly resembling a trade mark as to be calculated to deceive”.

## **Conclusion**

6. There are different criteria in respect of criminal and civil trade mark actions. It is not necessary to establish criminal liability for trade mark offences in order to found an infringement action, and *vice versa*. There is therefore no compelling reason to have the language used in the Trade Marks Ordinance and Trade Descriptions Ordinance to exactly mirror each other.

Trade and Industry Bureau  
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