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**Paper for the House Committee meeting  
on 21 March 2002**

**Report of the Subcommittee on  
Trade Marks Rules and  
Trade Marks Ordinance (Cap. 559) (Commencement) Notice 2003**

**Purpose**

This paper reports on the deliberations of the Subcommittee on Trade Marks Rules (the Rules) and Trade Marks Ordinance (Cap. 559) (Commencement) Notice 2003 (the Commencement Notice).

**Background**

2. The new Trade Marks Ordinance (the new Ordinance) (Cap. 559) was enacted by the Legislative Council (LegCo) in May 2000. The new Ordinance will replace the existing Trade Marks Ordinance (Cap. 43) enacted in 1955 to modernize Hong Kong's trade mark law with the aims to simplify the registration of trade marks, increase the range of signs that can be registered as trade marks and provide increased protection to trade marks.

3. To prepare for the commencement of the new Ordinance, the Intellectual Property Department has put in place a new computer system which will make available to the public in stages the facilities of on-line search of the trade mark register, electronic publication of accepted marks, and electronic filing of applications. In order to provide flexibility to users, paper-based filing options will remain available to those who choose not to file their applications electronically.

**The new Trade Marks Rules and the Commencement Notice**

4. Under section 91 of the new Ordinance, the Director of Intellectual Property in his capacity as Registrar of Trade Marks (the Registrar), may make rules to provide for the technical details and procedures of the trade mark

registration regime. The new Trade Marks Rules (the Rules) set out the procedures for application of trade marks, renewal and opposition to registration, proceedings to revoke, invalidate, vary or rectify registration, and prescribe fees for various matters and proceedings etc.

5. The Commencement Notice appoints 4 April 2003 as the day on which the new Ordinance shall come into operation. The Rules shall also come into operation on the same day.

### **The Subcommittee**

6. Members agreed at the House Committee meeting on 14 February 2003 to form a Subcommittee to study the Rules and the Commencement Notice. Under the chairmanship of Hon Margaret NG, the Subcommittee has held four meetings. The membership list of the Subcommittee is in **Appendix I**. Apart from examining the new Rules and the Commencement Notice, the Subcommittee has also invited views from the business community and trade marks practitioners. Ten organizations have made written and/or oral representation to the Subcommittee. A list of these organizations is in **Appendix II**.

7. To allow sufficient time for the Subcommittee to study the new Rules and the Commencement Notice, Members passed a motion at the Council meeting on 12 March 2003 to extend the scrutiny period to 2 April 2003.

### **Deliberations of the Subcommittee**

#### The new trade marks registration regime

8. The Subcommittee notes the wide support from the business community, legal and professional organizations for commencing the new Ordinance and the Rules as soon as possible in order to bring early benefits to the business sector and trade marks practitioners. Members welcome the new registration regime to enable a trade mark applicant to file a single application for registration of a mark in multiple classes of goods and services as opposed to the current requirement to file multiple applications. They consider that the new registration regime more user-friendly as the procedures for recording assignments and licensing of trade marks are simplified to facilitate the merchandising and franchising of trade marked goods and services. The new system will be in line with the common trade practices world-wide. The provision of electronic filing of applications for registration and other documents, as well as free on-line search of registered information will not only enhance the effectiveness and efficiency of the registration system, but will also bring substantial reduction in fees to trade mark applicants and other

users. Hence, it will result in lower operating costs on the part of the business sector. The Subcommittee notes that under the current registration system, an applicant has to pay a total of \$5,400 for registering a mark. Under the new regime, the fee will be substantially reduced to \$1,300.

#### Time limits for certain registration procedures

9. In the course of examining the Rules, the Subcommittee notes that the Administration has conducted several rounds of consultation since 1998 with the business community, trade mark practitioners, legal and professional bodies in working out the new Rules. Concerns raised were mainly related to the time limits for submitting representations and filing documents with the Registrar. While some of those who were consulted considered that certain time limits should be extended or made extendible, other opined that the time limits should be shortened. In this respect, the Administration explains that in making the present proposal, it has carefully considered all comments and made appropriate amendments to the Rules. For those time limits which the Administration considers should remain unchanged, it has explained the reasons to the parties concerned. However, the Subcommittee notes that trade mark practitioners remain concerned about the time limits for certain procedures set in the Rules. The practitioners' views and the Subcommittee's deliberation are summarized in the ensuing paragraphs.

#### *Non-extendible time limits (Rule 95)*

10. The Subcommittee notes that section 91(2)(m) of the new Ordinance provides the Registrar with the power to make rules prescribing time limits in connection with proceedings under the new Ordinance. Section 91(2)(n) further provides for the extension of any time limit so prescribed. However, Rule 95 of the Rules stipulates that time limits specified in certain rules are non extendible. Trade mark practitioners have raised query that Rule 95 is ultra vires since it has limited the Registrar's discretion in making rules to extend the time limit as he may think fit.

11. While acknowledging practitioners' concern, the Subcommittee notes the Administration's view that Rule 95 is intra vires. According to the Administration's legal advice, the power under section 91(2)(n) is stated in permissive rather than obligatory language. It suggests that the Registrar may decide at his discretion whether to extend any time limits. Reading section 91(2)(m) and (n) together, the legislative intention is clear that time limits prescribed under section 91(2)(m) may be made non-extendible. If time limits were intended to be always extendible, there would have been no need to state that the Registrar may provide for extensions. Hence, Rule 95, which specifies non-extendible time limits, will not fetter the Registrar's power to grant extensions of time. The Administration further explains that if the Registrar sees good reasons to change the non-extendible time limits, he can

amend the Rules.

*Time limits for application for trade mark registration (Rules 13 and 14)*

12. The Registrar will examine an application for trade mark to decide whether it meets the requirement for registration, for example, the distinctiveness or otherwise of the mark, any conflict with an earlier mark, etc. Under Rule 13 of the Rules, if the requirements for registration are not met, an applicant has six months to respond to the Registrar's examination report and file written representations to establish that the requirements are met or amend his application. He can apply for an extension of three months if necessary. If the Registrar is still not satisfied that the requirements are met, he will issue a further notice. The applicant will then have three months after the date of the notice to submit further representations or request for a hearing, or both if he so wishes.

13. The trade mark practitioners consider the time limit of nine months for responding to the Registrar's examination report unrealistic and impractical. The new provision which provides no further extension differs from the current practices where extensions are available if applications are made on good grounds. According to the practitioners, considerable time is required for trade mark applicants to collate evidence to substantiate their claims for the distinctiveness of their marks or to resolve concerned disputes before proceeding with the application. The tight nine-month time frame will pose genuine difficulties to applicants. Moreover, since a majority of trade mark applications in Hong Kong are concerned with local trade mark agents taking instructions from overseas applicants, there will inevitably be delay on the applicants in responding to the opinions or queries raised by the Registrar. As a result, a large number of applications will end up being rejected. Otherwise, applicants will have no choice but to request a hearing of his application which will have substantial cost implications for both the applicant and the Registrar. Members are of the view that such an inflexible provision is not conducive to the objectives of providing a user-friendly and cheaper registration system.

14. In this respect, the Administration's explanation is that the setting of time frames is necessary for examining trade mark applications. The time limits provided under Rules 13 and 14 aim to provide certainty for the business community. If an application is kept pending for too long, it will create uncertainty for other businesses that may wish to use or apply to register a similar mark. Businesses should be able to know within a reasonable time frame whether an application will be accepted, in order to plan their own activities accordingly. The Administration considers that the time limits have struck the right balance between the interests of trade mark applicants, trade mark agents and other stakeholders in the business community. It advises that under the new simplified registration regime less evidences/documents will be required from applicants to support the registration of marks. There will be

enough time for applicants to collate evidences/documents before the deadline. Besides, due to the simplified registration process, the need for correspondence between applicants and the Registry will be reduced.

15. The Subcommittee notes that the tight time limits for applicants to respond to Registrar's examination report is not consistent with international practices. There is more flexibility in the regimes of the United Kingdom (UK), Australia and Singapore as there is either extendible time limits or a longer time frame. The Subcommittee therefore requested the Administration to re-consider the rules.

16. After considering the views of Subcommittee and practitioners, the Administration has agreed to amend Rules 13 and 14 to provide for extension of time limits. In addition to the original three-month period for responding to the Registrar's further notice, an extension of a period of three months each will be granted in specified circumstances. The specified circumstances include the followings :

- (a) Where the application faces an objection under section 12 of the new Ordinance which relates to relative grounds for refusal of registration, and
  - (i) the applicant is obtaining consent of the owner of a relevant earlier trade mark; or
  - (ii) a relevant earlier trade mark is the subject of invalidation or revocation proceedings which are pending; or
  - (iii) the applicant is obtaining an assignment of a relevant earlier trade mark to himself;
- (b) The applicant is preparing evidence of use to be filed in support of the application; or
- (c) Other exceptional circumstances.

17. According to the Administration, the specified circumstances mentioned in paragraph 16 will cover the situations which require extension. The Subcommittee welcomes the amendments as they provide more flexibility to users of the system. Moreover, applicants can make multiple submissions to the Registrar within the longer time period to respond to the Registrar's queries and to discuss issues of concerns. The Subcommittee notes that the amendments are supported by practitioners.

18. However, some members are concerned that as an applicant may need to provide evidence to support his application for extension of time limits, his

interest in the registration proceedings may be jeopardized. The Administration assures members that it has no intention to formalize the application procedure involved and will consider applications for extension of time limits on a case-by-case basis.

*Time limits for filing a notice of opposition and a counter statement  
(Rules 16 and 17)*

19. After an application for registration has been accepted by the Registrar and published in the official journal (which will be a website designated by the Registrar), third parties may institute opposition proceedings against it. Rules 16 and 17 provide that an opponent has to file with the Registrar within three months a notice of opposition to the registration after it is published. Similarly, an applicant has three months to file a counter-statement to the notice of opposition. No extension in time limits is allowed for both the opponent and the applicant.

20. The Subcommittee notes the concern of practitioners over setting non-extendible three months deadline for filing of opposition notice and counter-statement. Members consider that the requirement is too onerous and note that it departs from the current practice where two month time limit is set but extension is allowed with consent of both parties. They share practitioners' concern that as an intended opponents will often take considerable time to gather relevant information or documents in order to assess his ability for engaging in an opposition, the three-month time limit will cause genuine difficulties to opponents, in particular those in overseas. The Subcommittee also notes the practitioners' view that the extendible time limits under the current system is a useful and a cost-effective means for applicants and opponents to settle potential opposition on marks through negotiation without resorting to opposition proceedings. Members consider it necessary to provide extension on the time limits under Rules 16 and 17.

21. The Subcommittee notes the Administration's explanation that the new three-month time limit can provide greater certainty to applicants since they will have better knowledge of the position of their applications. If the application is opposed, the applicant knows at least that the process of opposition has begun. The Administration points out that the same non-extendible deadline is imposed in the UK regime for filing of opposition notice. It further advises that if an intended opponent fails to file an opposition timely, he can still apply to the Registrar to invalidate a mark even after it is registered. Hence, the opponent will not be disadvantaged.

22. Nevertheless, after considering members' views and further discussion with practitioners, the Administration has agreed to amend Rules 16 and 17 to provide for a one-off two-month extension for filing of notice of opposition or counter-statement. The amendments are welcomed by members and

supported by practitioners. The Subcommittee also notes that the new provision will bring Hong Kong's regime in line with the international standard.

### Other concerns

#### *Inspection of documents (Rule 69)*

23. With a view to enhance transparency of the new registration regime and to facilitate applicants and other users, Rule 69 will make available a wide range of documents kept by the Registrar for public inspection. The Subcommittee notes the concern from some practitioners that the certain documentary evidence should not be made available for public inspection given that they may contain confidential or sensitive information. The Administration clarifies that documentary evidences do not need to be filed under Rule 62(2), (3) or (4) or Rule 64(2) or (3) provided that the registration form, which is open for public inspection, is signed by or on behalf of the parties concerned. As such, there should be no concern over disclosure of confidential information.

24. The Subcommittee is aware that practitioners have made other comments and raised miscellaneous concerns over the operational aspects of the Rules. The Legal Adviser of the Subcommittee has also proposed drafting amendments to the Rules. Members note that the Administration has made clarifications, taken on board the major views, and will make technical amendments to the Rules where appropriate. They appreciate that there will be regular reviews on the Rules with a view to identifying areas for improvement in the light of operational experience of the Rules.

### **Recommendation and advice sought**

25. The Subcommittee supports the Commencement Notice and the Administration's proposed amendments to the Trade Marks Rules. The draft resolution to amend the Rules to be moved by the Secretary for Commerce, Industry and Technology at the Council meeting of 2 April 2003 is in **Appendix III**.

26. Members are invited to note the deliberation of the Subcommittee.

**Subcommittee on  
Trade Marks Rules and  
Trade Marks Ordinance (Cap. 559) (Commencement) Notice 2003**

**Membership list**

**Chairman** Hon Margaret NG

**Members** Hon Kenneth TING Woo-shou, JP  
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP  
Hon HUI Cheung-ching, JP  
Hon CHAN Kam-lam, JP  
Hon SIN Chung-kai  
Hon WONG Yung-kan (up to 25.2.2003)  
Hon Audrey EU Yuet-mee, SC, JP

(Total : 7 members)

**Clerk** Ms Connie SZETO

**Legal Adviser** Miss Anita HO

**Date** 26 February 2003



**Subcommittee on  
Trade Marks Rules and  
Trade Marks Ordinance (Cap. 559) (Commencement) Notice 2003**

**Deputations which have made  
oral and/or written presentation to the Subcommittee**

1. The Hong Kong Institute of Trade Marks Practitioners
2. International Trademark Association
3. The Law Society of Hong Kong
4. Asian Patent Attorneys Association, Hong Kong Group
5. The Hong Kong Bar Association
6. China Patent Agent (HK) Ltd.
7. Hong Kong Tourism Board
8. So Keung Yip & Sin Solicitors & Notaries
9. The Hong Kong Association of the Pharmaceutical Industry
10. The Cosmetic and Perfumery Association of Hong Kong Ltd.

INTERPRETATION AND GENERAL CLAUSES ORDINANCE

RESOLUTION OF THE LEGISLATIVE COUNCIL

TRADE MARKS RULES

Resolution made and passed by the Legislative Council under section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) on 2003.

RESOLVED that the Trade Marks Rules, published in the Gazette as Legal Notice No. 30 of 2003 and laid on the table of the Legislative Council on 12 February 2003, be amended –

- (a) in rule 2(1), in the definition of “opponent”, by repealing “16(1)” and substituting “16”;
- (b) in rule 13 –
  - (i) in subrule (2), by repealing “within the period beginning on the date of the notice and ending 6 months after that date” and substituting “at any time during the period beginning on the date of the notice and ending 6 months after that date, do either or both of the following”;
  - (ii) in subrule (3), by repealing “before the expiry of the 6-month period referred to” and substituting “within the period specified”;
  - (iii) by repealing subrules (4), (5) and (6) and substituting –
    - “(4) If –
      - (a) the applicant files written representations or a request for amendment under subrule (2) within the period specified in that subrule or, where the Registrar has granted an

extension of time under subrule (3), within the period as so extended; and

- (b) it appears to the Registrar, after considering the representations or request for amendment, that the application, or the application as amended or proposed to be amended, does not meet the requirements for registration,

the Registrar shall inform the applicant of his opinion by notice in writing.

(5) Where a notice is sent to the applicant under subrule (4), the applicant may, at any time during the period beginning on the date of the notice and ending 3 months after that date, do any or all of the following –

- (a) file written representations or further written representations to establish that the requirements for registration are met;
- (b) file a request or a further request under section 46 of the Ordinance to amend his application so as to meet those requirements (see rule 24); or
- (c) file a request for a hearing.

(6) The Registrar may, on a request being filed by the applicant on the specified form within the

period specified in subrule (5) or, where the Registrar has previously granted an extension of time under this subrule, within the period as so extended, extend the time for filing written representations or a request under subrule (5) for such period or periods, not exceeding 3 months at any one time, and on such terms, if any, as he may direct, if he is satisfied that –

- (a) where the notice sent to the applicant under subrule (4) raises an objection to the registration of the trade mark on any of the grounds mentioned in section 12(1), (2) or (3) of the Ordinance (relative grounds for refusal of registration) –
  - (i) the applicant needs additional time to obtain the consent of the owner of a relevant earlier trade mark;
  - (ii) the applicant needs additional time to obtain an assignment of a relevant earlier trade mark; or
  - (iii) proceedings for the invalidation or revocation of a relevant earlier trade mark are pending and time should be extended to allow for

the proceedings to be disposed of;

- (b) the applicant needs additional time to prepare evidence of use to be filed in support of the application; or
- (c) other exceptional circumstances exist to justify the granting of an extension of time.”;

(c) by repealing rule 14(2) and (3) and substituting –

“(2) Subject to subrule (3), where –

- (a) the Registrar sends a notice to the applicant under rule 13(1);
- (b) the applicant files written representations or a request for amendment under rule 13(2) within the period specified in that rule or as extended under rule 13(3); and
- (c) the Registrar sends a notice to the applicant under rule 13(4),

the prescribed period for the application is the period beginning on the date of the notice sent to the applicant under rule 13(1) and ending 3 months after the date of the notice sent to the applicant under rule 13(4) or, where the Registrar has granted an extension of time under rule 13(6), ending on the last day of the period as so extended.

(3) Where –

- (a) the Registrar sends a notice to the applicant under rule 13(4); and
- (b) the applicant files a request for a hearing within the period specified in

rule 13(5) or, where the Registrar has granted an extension of time under rule 13(6), within the period as so extended,

the prescribed period for the application is the period beginning on the date of the notice sent to the applicant under rule 13(1) and ending on the last day of the hearing or at such time as the Registrar may decide the matter without a hearing under rule 75.”;

(d) in rule 16, by adding –

“(4) The Registrar may, on a request being filed by any person on the specified form within the period specified in subrule (1), extend the time for filing a notice of opposition or anything referred to in subrule (2) by 2 months, which time may not be further extended.”;

(e) in rule 17 –

(i) in subrule (3) –

(A) by renumbering it as subrule (4);

(B) by adding “or as extended under subrule (3)” after “subrule (1)”;

(ii) by adding –

“(3) The Registrar may, on a request being filed by the applicant on the specified form within the period specified in subrule (1), extend the time for filing a counter-statement by 2 months, which time may not be further extended.”;

(f) in rule 18(1), by adding “or as extended under rule 17(3)” after “rule 17(1)”;

(g) in rule 37(4), by repealing “he shall not be permitted to take part in the proceedings” and substituting “the Registrar may treat the application for revocation as being unopposed by the owner”;

- (h) in rule 41(3), by repealing “he shall not be permitted to take part in the proceedings” and substituting “the Registrar may treat the application for revocation as being unopposed by the owner”;
- (i) in rule 47, by adding “with necessary modifications” after “apply”;
- (j) in rule 50(6), by repealing “he shall not be permitted to take part in the proceedings” and substituting “the Registrar may treat the application for variation or rectification as being unopposed by the owner”;
- (k) in rule 74 –
  - (i) in subrule (3), by adding “or on the filing of a request for a hearing in accordance with rule 13(5)” after “subrule (2)”;
  - (ii) by repealing subrule (6);
  - (iii) by renumbering subrule (7) as subrule (6);
- (l) in rule 95 –
  - (i) in subrule (1) –
    - (A) in paragraph (b), by repealing “and (3)” and by adding “(but see rule 13(3))” after “amendment”;
    - (B) by repealing paragraph (c) and substituting –
      - “(c) rule 13(5) (time for filing representations, a request for amendment or a request for a hearing) (but see rule 13(6));”;
    - (C) in paragraph (e), by adding “(but see rule 16(4))” after “opposition”;
    - (D) in paragraph (f), by adding “(but see rule 17(3))” after “counter-statement”;
    - (E) in paragraph (u), by repealing “121(a)” and substituting “121(1)(a)” and by adding “(but see rule 121(2))” after “opposition”;

- (F) in paragraph (v), by repealing “121(b)” and substituting “121(1)(b)” and by adding “(but see rule 121(3))” after “counter-statement”;
- (ii) by adding –
- “(3) No period of time specified in rule 13(3) or (6), 16(4), 17(3) or 121(2) or (3) may be extended under rule 94(1).”;
- (m) in rule 121 –
- (i) by renumbering it as rule 121(1);
- (ii) by adding –
- “(2) The Registrar may, on a request being filed by any person on the specified form within the period specified in subrule (1)(a), extend the time for filing a notice of opposition by 2 months, which time may not be further extended.
- (3) The Registrar may, on a request being filed by the applicant on the specified form within the period specified in subrule (1)(b), extend the time for filing the counter-statement by 2 months, which time may not be further extended.”;
- (n) in the Schedule –
- (i) in Fee No. 3, under the column “**Matter or proceeding**”, by adding “or (6)” after “rule 13(3)”;
- (ii) in Fee No. 29, under the column “**Matter or proceeding**”, by repealing “94” and substituting “16(4), 17(3), 94 or 121(2) or (3)”.

Clerk to the Legislative Council