

**Extracts of draft minutes of special meeting of the
LegCo Panel on Commerce and Industry held on 21 January 2003**

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Action

IV Briefing on the draft Trade Marks Rules
(LC Paper Nos. CB(1) 646/02-03(03) & 778/02-03)

5. The Deputy Secretary for Commerce, Industry and Technology (Commerce and Industry) (DSCI(CI)) briefed members on the proposed Trade Marks Rules (the new Rules), which provided for the technical details and procedures of the trade mark registration. Subject to members' views, the Administration intended to gazette the new Rules and the Commencement Notice of the new Trade Marks Ordinance (the new Ordinance) for negative vetting of the Legislative Council (LegCo) with a view to bringing them into operation in April 2003. The new Ordinance, which was enacted in May 2000, would modernize the trade mark law, simplify registration of marks, increase the range of signs that could be registered as trade marks and provide a higher standard of trade mark protection. DSCI(CI) emphasized that the Administration had thoroughly consulted the trade mark practitioners, legal and professional organizations in drawing up the new Rules and made appropriate amendments to balance the interests of different parties.

6. The Director of Intellectual Property (DIP) highlighted the major changes in the new Rules as compared with the existing Rules. In particular, an applicant could file a single application to register a trade mark in multiple classes of goods and services vis-à-vis making multiple applications under the existing Rules. Such an arrangement would simplify the registration process and provide convenience to the applicant. The DIP added that each application for trade mark registration would be preliminarily checked by the Intellectual Property Department (IPD) to ensure that the required information had been provided by the applicant. The application would then be examined in detail to ascertain whether it met the requirements for registration under the new Ordinance. The IPD would also check the application with the existing trade marks in the register to see if there would be any conflict. If the Registrar of Trade Marks (the Registrar) was satisfied with the application, he would require the applicant to advertise the application. If no objection was received on the application within three months, the Registrar would register the trade mark.

7. The Assistant Director of Intellectual Property (ADIP) supplemented that the new Ordinance and the new Rules had made a number of improvements on the existing procedures of trade mark registration. For instance, instead of dividing the register into two parts under the existing Ordinance to distinguish trade marks for different types of goods and services, in future, all marks would be entered into a single register. The new Rules would also remove the existing requirement for applicants to file detailed document in support of a claim to priority under section 41 of the new Ordinance unless there would be potential conflicts with other marks. Such an arrangement would simplify the documentation requirements for an application. ADIP assured members that the new Ordinance and the new Rules would streamline the existing procedures of trade mark registration to enable applications to be dealt with more efficiently.

8. Members in general welcomed early implementation of the new Ordinance and the new Rules to simplify the procedures for trade mark registration and lower compliance cost for the business community.

Electronic filing of applications for registration of trade marks

9. In response to Mr NG Leung-sing's enquiry, DIP advised that the Administration would launch electronic filing of applications for trade mark registration in stages. While applications would be mostly made in printed form in the initial period of implementation of the new Ordinance, it was envisaged that applications could be received through electronic means starting from 2004 onwards when the electronic filing facilities of the new computer system would be in place. By means of electronic filing, applications could be made promptly via the Internet. The DIP assured members that under the new Rules, the same fees would be charged for submitting applications in paper form or by electronic means. Moreover, the Administration had no intention to replace the paper filing system by electronic system completely at the present stage. The ADIP supplemented that while electronic filing method would be more interactive and provide convenience to applicants, IPD would process both paper and electronic applications within the same timeframe.

Fees for trade mark registration

10. While an applicant was required under the existing Rules to advertise his trade mark application in the Government Gazette and bear the cost involved, Mr HUI Cheung-ching asked whether this requirement would be removed to reduce compliance cost on applicants. Moreover, noting that an applicant would file a single application for registration of a mark in multiple classes of goods and services, Mr HUI enquired whether the improvement would bring about reduction in registration fees.

11. In response, ADIP explained that under the new Rules, accepted applications of trade mark registration would be published in the official journal, which would be a website to be designated by the Registrar, to allow easy access by the public. The publication service would be free thus reducing the compliance cost on the applicant. As to Mr HUI's enquiry about reduction in registration fees, ADIP confirmed that the fees for trade mark registration would be substantially reduced with the implementation of the new Rules. The new fees proposed for an application to register a mark would only be \$1,300 for the first class of goods or services and \$650 for each additional class as opposed to the present total of \$5,400 for each class.

12. In response to Mr Henry WU's enquiry as to whether existing trade mark owners would benefit from reduction in fees, ADIP remarked that they would benefit from the simplified renewal registration procedures and reduction in renewal fee. For instance, the renewal fee for a mark for the first class of goods or services would be reduced from the current level of \$4,100 to \$3,000, and the fee for each additional class of goods or services would also be lowered to \$1,500.

Consultation on the new Rules

13. Mr CHAN Kam-lam enquired about the comments and concerns made by consultees during the consultation on the draft new Rules. Mr NG Leung-sing asked whether the amendments on the draft new Rules had addressed all concerns raised.

14. The DIP stressed that the Administration had conducted several rounds of consultation with the business community, trade mark practitioners, legal and professional bodies in working out the new Rules. Comments received mainly focused on the time limits for filing representations and documents. While some consultees considered that certain time limits should be extended or made extensible, other opined that the limits should be shortened. He emphasized that the Administration had carefully considered all comments and made appropriate amendments to the draft new Rules. For those proposed time limits which the Administration considered that they should remain unchanged, the Administration had explained the reasons to the consultees. They had noted the feedback without expressing any significant reservations. Notwithstanding that there were different views on the proposed time limits, the consultees had raised no objection to the new Rules and urged the Administration to bring the new Ordinance and the new Rules into operation as soon as possible.

15. The Senior Solicitor, Intellectual Property Department (SS/IPD) supplemented that apart from the time limits, some consultees had expressed concern on the existing requirement for an applicant to provide the application number assigned to an application to register a mark by an overseas trade mark registration authority in support of the applicant's claim for a right to priority under section 41 of the new Ordinance. Having considered that the concerned application number might not be readily available to the applicant, in particular, it would take relatively longer time to obtain such number from some trade mark authorities, the Administration had amended the draft new Rules to provide the Registrar with the power to require filing of the number after submission of the application. Another example on amendment made to the draft new Rules in response to comments received was the extension of the deadline for an applicant to file a request for hearing on his application which had been considered by the Registrar not to have satisfied the registration requirements. The deadline was extended from the original proposal of one month to three months.

16. Noting from the submission by The Hong Kong Institute of Trade Mark Practitioners, which was referred by Hon Margaret NG and tabled at the meeting (LC Paper No. CB(1) 778/02-03), that trade mark practitioners had expressed concern about certain aspects of the new Rules, the Chairman requested the Administration to provide written response to the submission for members' reference after the meeting.

(Post meeting note: The Administration's response was circulated to members via LC Paper No. CB(1) 845/02-03 on 4 February 2003.)

17. In response to the LegCo Assistant Legal Adviser's question on whether the new Rules were significantly different from the existing Rules, SS(IPD) advised that the new Rules would streamline the procedures for registration of trade marks and provide convenience to both trade mark applicants and owners. In developing the new procedures, the Administration had made reference to current registration systems adopted by overseas jurisdictions, such as the United Kingdom, and Australia, and the development in information technology to ensure that the new procedures would be in line with the latest international practices and IPD's new computer system. The DIP confirmed that no significant changes had been made to the draft Rules submitted to the LegCo Bills Committee which studied the Trade Marks Bill in 2000. The new Rules had been drafted in accordance with provisions of the new Ordinance. The DIP further undertook to conduct regular reviews on the new Rules in the light of implementation of the new Ordinance and the new Rules.

Publicity for the new Ordinance and the new Rules

18. Mr Henry WU suggested the Administration to arrange suitable publicity for the implementation of the new Ordinance and the new Rules. The DIP advised that funds had been earmarked for conducting publicity programmes, including distribution of publicity leaflets, publicity through the Internet, and organization of seminars, for the new Ordinance and the new Rules. The assistance from the Consumer Council would also be sought to launch consumer education programmes regarding parallel importation of trade mark goods. The Chairman further suggested that the Administration should solicit support of the Hong Kong Trade Development Council and Hong Kong Productivity Council in arranging publicity programmes. The DSCI(CI) said that the Administration would coordinate efforts of the relevant parties in publicizing the new Ordinance and the new Rules.

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