

**CB(1) 1005/02-03(03)**

**Practitioners Affairs**

CWP-19/03/66335  
CB1/SS/3/02

03 March 2003

Mr. S.C. Tsang  
For Clerk to Subcommittee  
Legislative Council Building  
8 Jackson Road, Central  
Hong Kong

Dear Mr. Tsang,

**Re: Subcommittee on Trade Marks Rules and Trade Marks Ordinance  
(Cap.559)(Commencement) Notice 2003  
Meeting on 3 March 2003**

I refer to your letter dated 25 February 2003 and attach for distribution to the Subcommittee members the Law Society's latest submissions on Trade Marks Ordinance and Rules, together with the Law Society's submissions dated 18 October 2002.

The Law Society will be represented by Mr. Henry Wheare (韋恒理), a member of Law Society's Intellectual Property Committee.

Yours sincerely,

Joyce Wong  
Director of Practitioners Affairs  
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Encl.



**SUBCOMMITTEE ON TRADE MARK RULES AND TRADE MARKS  
ORDINANCE (CAP.559) (COMMENCEMENT) NOTICE 2003**

**SUBMISSIONS BY THE LAW SOCIETY'S INTELLECTUAL PROPERTY  
COMMITTEE**

- 1 The Law Society in common with other bodies representing the interests of practitioners, as primary users on behalf of clients of the trade mark system in Hong Kong, has made a number of submissions to the Intellectual Property Department (IPD) in response to various drafts of the Trade Mark Rules. From the Legco website, it is not clear whether the subcommittee members have seen our previous submissions and we therefore also attach for reference our most recent submission on the 4th draft dated 18 October 2002.
- 2 Our first general observation is that, to our disappointment, the IPD have been very inflexible in responding to the submissions of practitioners with respect to extensions of time under Rule 13 which very substantially alters the current practice.
- 3 We note from the minutes that in its briefing to the LegCo Panel on Commerce and Industry on 21 January 2003, the Deputy Secretary for Commerce, Industry and Technology "emphasized that the Administration had thoroughly consulted the trade mark practitioners, legal and professional organizations in drawing up the new Rules and made appropriate amendment to balance the interests of different parties."
- 4 In its LegCo Brief dated 5 February 2003, the Commerce and Industry Branch refers to public consultation and in paragraph 33 alludes to the concerns of professional organisations on time limits and seems to indicate that despite continuing opposition it is important to bring the new law into operation quickly.
- 5 The Trade Marks Ordinance was passed in May 2000 and we agree that it should be introduced as soon as possible, but the concerns, which have been consistently voiced by the professions prior to and since that date, remain.

- 6 The LegCo Brief suggests that only one professional organisation continues to express concern. We understand that body to be the Hong Kong Institute of Trade Mark Practitioners which includes many Law Society members engaged in trade mark matters. We wish this subcommittee to be under no doubt that all the professional bodies (Law Society, Hong Kong Institute of Trade Mark Practitioners, Asian Patent Attorneys Association and the Hong Kong Bar Association) unanimously oppose the Administration's proposals under Rules 13, 14, 16, 17 and 95.
- 7 The Administration has also asserted that the new Rules are in line with the latest international practices, quoting the United Kingdom and Australia. With respect to Rule 13 and other extension of time provisions this is not correct as both jurisdictions have much more flexible provisions. Looking at the Rules in detail:
- Rule 13 - Failure to meet requirements for registration*
- Rule 14 - Prescribed period under section 42(3)(b) of the Ordinance*
- Rule 95 - Non-extendible time limits*
- 8 The combined effect of Rules 13, 14 and 95(b) is that the maximum time period within which an applicant may without the expense of a formal hearing respond to the Registrar's objections is 9 months. In simple cases this may be fine, but in many cases the applicant or its agent has to consider the Registrar's objections, take instructions, prepare any necessary formal evidence of use, obtain consents, assign competing marks, propose amendments, make written or oral submissions, etc., which under the present system takes much longer than 9 months to resolve and in international or complex cases can take years to resolve.
- 9 In practice, because the Registrar does not normally respond to the applicant's submissions within 9 months (or less if, for example, those submissions were made after 3 months), there will only be one opportunity to make written or oral submissions and do all the other things necessary to achieve registration without a formal hearing. In other words there will be only "one bite at the cherry" without any further interim communication or opportunity to clarify the Registrar's opinion (as can be done under the present system). As a result, it will be necessary to make all possible submissions (including preparation of evidence) on a speculative basis, because it will not be possible to do this at a later stage (as under the present procedure) without a formal hearing. This will substantially increase the cost and expense of the registration process, much of which may be wasted if the Registrar accepts the application without a hearing (as is often the case under the present practice).
- 10 Trade mark registration in Hong Kong is by no means an isolated procedure. It is very often part of an international process. Many problems associated with trade mark registration are not of a domestic nature but arise as part of an international dispute which have to be resolved before appropriate action can be taken to resolve Registry objections in Hong Kong (for example by an assignment of the cited registration to the applicant or the filing of a consent from the cited trade mark proprietor). It is impracticable to expect that such dispute may always, even with the best will in the world, be resolved within a 9 month period.

- 11 The present system which allows for extensions of time where good grounds are given is flexible and works. The proposed system is inflexible and will inevitably fail in a number of cases, especially those complex cases involving international parties engaged in serious negotiations or possibly litigation overseas or as part of an international filing programme.

*Rule 95 and Section 91 of the Ordinance - Non extendible time limits*

- 12 Under S. 91 of the Ordinance, the Registrar may make rules which under S. 91(2) (m) and (n) may prescribe time limits and provide for extension of any time limit and under S. 91 (4) may provide for alteration of any period of time or extension of time notwithstanding that the period has already expired.
- 13 There is no provision in the Ordinance allowing the Registrar to make Rules, nor does the Ordinance contemplate Rules, providing for non-extendible time limits as proposed under Rule 95. Accordingly, we believe that Rule 95 is ultra vires the Ordinance.
- 14 We note that in its submissions on the 4th draft of the Rules, the Hong Kong Bar Association has made the same point.

*Rules 16 and 17 - Opposition and Counter-statement*

- 15 Under Rule 95(1) (e) and (f), the 3 month time limit for filing a notice of opposition under Rule 16(1) and a counter-statement under Rule 17(1) is non-extendible. The same applies under Rule 95 to notices of objection to amending applications or altering registered marks and to the filing of counter-statements in proceedings to revoke, invalidate, vary or rectify registrations.
- 16 This is a fundamental change to the current practice and will inevitably cause hardship and inconvenience to users. Under the present practice, the Registrar has a discretion, which is often exercised, to allow an extension of time for filing an opposition or counter-statement. If the parties consent (which they often do) or the intended opponent gives good reasons for not being in a position to file the opposition, an extension of time is always given.
- 17 As noted above, trade mark proceedings in Hong Kong are often part of a wider international picture and the parties may have very good reasons for wishing to preserve the status quo while settlement negotiations are proceeding but keeping the option of opposing. Where the parties consent, we cannot see what harm there is in allowing time to be extended in such circumstances.
- 18 Furthermore, the new Rules are more onerous in specifying what must be contained in the notice of opposition, including details and representations of earlier trade marks relied on. With inflexible time limits it may not be possible to obtain all the necessary details in time.
- 19 It appears that the power to stay proceedings under Rule 90 will not apply to the filing of a notice of opposition. Under the present system, the Registrar has held that when applying for an extension of time to oppose the applicant and intended opponent are parties to proceedings before the Registrar. However, where there is no power to give an extension of time and the period for filing the notice is prescribed as 3 months

for the purposes of S. 44 of the Ordinance it seems that there would not be any proceedings to stay, so the provision will not apply.

- 20 For the avoidance of doubt we propose that the Rules should include an express provision allowing the Registrar to extend the time for opposing and/or to stay any inter partes proceedings upon the joint application of the parties. The Administration has indicated that some parties have made submissions that there should be no extensions of time. Such parties would not be prejudiced by such a provision as they would not be required to consent to an extension of time.

**The Intellectual Property Committee**

**The Law Society of Hong Kong**

**28 February 2003**

**66333**



## **Comments by the Law Society's Intellectual Property Committee on the Consultation on the Trade Mark Rules**

The Law Society is pleased to see the publication of the 4<sup>th</sup> Draft of the Trade Marks Rules, which we hope brings us closer to the long-awaited implementation of the Trade Marks Ordinance enacted in 2000. Hong Kong is falling behind UK, Australia and Singapore in modernising the trade mark law, and we look forward to the early implementation of the Trade Marks Ordinance.

The Law Society is also pleased to note that its comments on time tables for the filing of evidence in oppositions proceedings, etc. and comments on electronic filing have been adopted in the 4<sup>th</sup> Draft of the Trade Marks Rules. Various other comments which the Law Society considers important have not been adopted. The following are comments on the 4<sup>th</sup> Draft of the Trade Mark Rules. The Law Society **repeats** its previous comments on the 2<sup>nd</sup> and 3<sup>rd</sup> Drafts, to the extent that the concerns expressed by the Law Society have not been addressed in the 4<sup>th</sup> Draft and are not specifically referred below.

Rule numbers referred to hereunder are rules in the 4<sup>th</sup> Draft. The expression "old rule" refers to rules in the 3<sup>rd</sup> Draft of the Trade Marks Rules.

### **1 Rule 6 - Application for registration**

We repeat our comments on the application of colour marks. The application should only have to specify either the colour claimed by description or by including a colour representation of the mark. There should be provisions to allow for the amendment of the colours claimed -- for example, to amend the colours claimed to particular shades of those colours if it is necessary to do so in order to overcome registrability issues.

We note that the old Rule 6(5) regarding the registration of graphical form of words/letters/character is deleted from the published 4<sup>th</sup> Draft. By deleting the provision altogether, the various concerns raised by the Law Society have in essence been addressed. However, in the interest of legal certainty, we believe that there should be provisions expressly stating that an application to register a mark which consists of or contains a work or any letter or character is to be treated as an application for such without regard to the actual graphical form unless otherwise specified. We also suggest that the application form be modified to provide options for an applicant to claim colour, graphical form, convention/WTO priority or a 3D mark by ticking the relevant boxes in the form.

### **2 Rule 9 - Claim to priority**

While the Law Society welcomes the Registrar's stated intention to only require the filing of certified copies of convention priority documents if a conflict of priority actually arises, we repeat our comments regarding the possibility to amend an application by supplying missing details of a priority claim. Due consideration should be given to the time required

for applicants to obtain such details and the public interest served by allowing the filing of an application with a claim to priority at the earliest possible date. We further suggest the deletion of Rule 9(1)(c). We believe that, if required, the details of convention priority applications in various major jurisdictions from which convention priority claims are typically made (e.g., US, UK, Australia, EU etc.) are easily accessible on-line without the need to refer to the official number. In any event, the Registrar can request the applicant to “establish to the satisfaction to the Registrar” the application number assigned to the application under Rule 9(2)(b).

### **3 Rule 11 - Deficiencies in application**

Rule 11(1)(a) should read “rule 6(1), 7(1) or (2) or 8(1)” and the consequential change to Rule 11(2)(a) should be made.

### **4 Rule 13 - Failure to meet requirements for registration**

This new Rule raises serious concerns in the following respects:-

- (a) The time for the applicant to file representations to establish that the requirements of registration are met (6 months plus only one extension of 3 months) is inflexible under Rule 95 (b);
- (b) No provision is made to allow interim communication between an applicant and the Registrar in an attempt to explore how registrability issues can be resolved, or to seek the Registrar’s clarification on his opinion under Rule 13 (1);
- (c) The time taken by the Registrar to respond to communication of the applicant is not discounted from the inflexible time period allowed;
- (d) There is concern that, with the Registry adopting the proposed inflexible approach in examination of an application, a large proportion of trade mark applications will end up being rejected, necessitating the applicants to request for hearing. The costs associated with a registrability hearing is likely to render the Registry’s good intentions of reducing the cost of trade mark applications nugatory.
- (e) No provision is made to allow the filing of evidence of use to overcome citation objections (this is specifically provided for under Section 13 of the Ordinance). In view of the obvious practical difficulties of gathering evidence of use, provision for extensions of time should be made in this situation. Similarly, there is no provision for filing evidence of use to prove that the mark is not devoid of any distinctive character. Although Section 11 of the Ordinance does not specifically recognise this possibility, evidence of use could in some cases be highly relevant in demonstrating that a mark has reached the requisite distinctiveness threshold. Practical considerations such as the need to obtain separate declarations from independent third party local distributors can result in delays beyond the applicant’s control and provision for granting of extensions should be made in such cases.
- (f) It is not clear whether multiple submissions are allowed. Multiple submissions should expressly be allowed because quite often issues about registrability of a mark are not fully or clearly set out in the Registrar’s first communication about registrability of a mark.

## **5 Rule 26 - Notice of objection to amendment**

Rule 28(3) in the 3<sup>rd</sup> Draft stated that the provisions under Part 3 in relation to opposition to registration apply, with modification, to proceedings under Rule 26. This provision is deleted in the 4<sup>th</sup> Draft and it is now unclear as to what procedure applies following the filing of a notice of objection to amendment. We suggest that a provision similar to the old Rule 28(3) be re-introduced.

## **6 Rule 36-46- Revocation**

We are pleased to note that the rules in relation to revocation are more clearly set out in the 4<sup>th</sup> Draft. However, there is no apparent reason or advantage for adopting two different procedures in revocation proceedings depending on whether the application is based on non-use or on other grounds. We suggest the adoption of a common procedure to provide greater legal certainty. The rules concerned are Rule 39 and Rule 44-45.

## **7 Rule 52 - Intervention**

**Rule 53 - Addition of disclaimer, limitation or condition**

**Rule 55 - Alteration of registered trade mark**

**Rule 54 - Merger of separate registrations**

**Rule 57 - Surrender of registered trade mark**

and

**Rule 56 - Notice of Objection**

We repeat our comments that a caveat system should be set up whereby anything affecting a trade mark registration will be notified to parties entering a caveat to alert them to take the necessary actions to protect their interests.

We note that there is a new provision Rule 56 which incorporates the old Rule 51(4)-(6), thus allowing any interested third parties to file a notice of objection against an application for alteration by the owner under Section 55(3) of the Trade Marks Ordinance. We note that this is different from the provision operating under Rule 57(2)(c) and (d). We suggest the adoption of a common approach, in the absence of a caveat system, to protecting the rights of interested third parties by either adopting provisions similar to Rule 57 to all applications which are likely to affect interested third parties.

## **8 Rule 66 - Request to change name or address, etc., recorded in the register**

Rule 66(1)(c) should read "rule 63 or 65" instead of "rule 64 or 65".

## **9 Rule 70 - Inspection of documents**

We are pleased to note that regulations governing use of collective and certification marks are now available for inspection (Rule 70(1)(u)-(w)). However, we regret to note that inspection remains confined to documents "*in respect of which no particulars have been recorded in the register*". We also note that there is no provision for the supply of copies of documents listed in Rule 70(1). We repeat our comment that all statutory forms filed with the Registry should be made available for inspection, and copies of such forms should be supplied on request subject to payment of copying charges.



## **10 Rule 70 - Inspection of Documents**

The words “shall” and “may” in Rules 70(2) and 70(3) have been transposed. As it stands, the Registrar has no discretion to refuse to permit inspection of pending documents under Rule 70(2), but may refuse to allow inspection of registered documents under Rule 70(3). This is illogical. The Registrar should not have any discretion to refuse inspection of documents that are registered. The discretion should only be in relation to documents that are pending registration.

## **11 Rule 71 - Supply of copies of entries, etc.**

Rule 71 provides that, upon request, the Registrar “may” provide, for example, a copy (whether certified), of an entry in the register or of any application for registration filed. It is not satisfactory that the Registrar should have discretion as to whether to supply copies. We suggest that the word “may” be changed to “shall” in Rule 71(1)-(3).

It is further noted that the notice of opposition filed under Rule 62 is not amongst the list of documents for which inspection is permitted. We believe this is an omission and inspection of this document should be provided for.

## **12 Rule 85 - Security for costs**

We note that security for costs is now required, under Rule 85(1), for filing of an array of notices and objections, as well as for the filing of a counter-statement under Rule 17. We suggest that Rule 85 be amended to allow the Registrar discretion to order the provision of security for costs in other situations, where it is just to do so, if the party filing the document does not reside or carry on business in Hong Kong.

## **13 Rule 91 - Notice of decision**

We suggest that, in line with the definition of the date of the Registrar’s opinion and report under Rule 13 and 14, respectively, the date of the decision or statement should be the date as shown on the decision or statement, rather than the day it is sent.

Alternatively, in line with our comments on the 2<sup>nd</sup> Draft regarding time tables, we suggest the date of decision or statement be the date on which the decision or statement is received by the relevant person.

## **14 Rule 97 - Application for registration of series of trade marks**

We do not see any reason why the number of marks forming a series should be restricted to 3. There is no such limitation in the Trade Marks Ordinance.

## **15 Rule 100 - Regulations governing use of collective mark or certification mark**

Whilst it is unclear, it appears that the application procedure for a collective or certification mark is the same as that of an application for the registration of a trade mark. We suggest an express provision be included to that effect to provide clarity.

## **16 Rule 107 - Filing of document with the Registrar**

Guidance as to the effect of delivery of document on a non-business day or out of business hours under the old Rule 100(4) is deleted. We suggest this sub-rule be re-introduced to provide certainty to the public.

## **17 Cooling off period**

We note that the rule about cooling off period is deleted in favour of the practice, under the existing Trade Marks Ordinance and the associated Trade Marks Rules, of allowing parties to file joint applications to stay proceedings. We are pleased to see the Registrar adopting this practical approach, but are uncertain whether the Registrar has discretion to allow stay of proceedings in light of Rule 95. While we appreciate the Registry's goal may be to keep proceedings moving more quickly, consideration must be given to the far-reaching effect of imposing a timetable where an international applicant is negotiating a settlement world-wide. It is suggested that, for the avoidance of doubt, an express provision be included to allow the Registrar to stay proceedings upon the joint application of the parties at any stage after commencement of proceedings.

## **18 Service/sending of documents by the Registrar**

Since the Registrar's discretion to allow extensions of time is restricted by Rule 95 and some of the inflexible time limits originate from the date of documents issued by the Registrar, it is important that a provision similar to Rule 110(2) should be made applicable to service/sending of documents by the Registry.

**The Intellectual Property Committee**

**The Law Society of Hong Kong**

**18 October 2002**

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