

**Bills Committee on
Smoking (Public Health) (Amendment) Bill 2005**
Response to a question raised by the Assistant Legal Advisor

PURPOSE

At the Bills Committee meeting on 27 June 2006, the Assistant Legal Advisor asked for a written confirmation on the justifications for giving protections to unregistered trade marks in use, trade names in use and well-known marks.

THE ADMINISTRATION'S RESPONSE

2. To ensure that Hong Kong, China ("HKC") is in full compliance with WTO – Agreement on Trade – Related Aspects of Intellectual Property Rights (TRIPS), HKC should include existing intellectual property (including existing well-known marks, unregistered marks in use and existing trade names before the appointed day) bearing the Prohibited Words into the grandfathering provisions of the Bill.

3. Under the TRIPS, the term "intellectual property" refers to all categories of intellectual property such as protectable trade marks¹. Trade marks (including well-known marks², unregistered trade marks in use and trade names³) are categories of intellectual property⁴. HKC, being a WTO

¹ Article 1(2) of TRIPS. Section 2: Article 15 (1) (Protectable Subject Matter) provides that: "Any sign, or any combination of signs, capable of distinguishing the goods and services of one undertaking from those of other undertakings, shall be capable of constituting a trade mark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combination of colours as well as any combination of such signs, shall be eligible for registration of trademarks." A distinction is not made between trade marks and trade names in TRIPS. In any event, Article 8 [Trade Names] of the Paris Convention provides that: "A trade name shall be protected in all the countries of the Union without the obligation of filing or registration, whether or not it forms part of a trade mark." In a WTO Dispute Settlement Case: *United States-Section 211 Omnibus Appropriation Act of 1998*, the Appellate Body finds that "WTO Members do have an obligation under the TRIPS Agreement to provide protection to trade names." WT/DS176/AB/R, para 273(g).

² Owners of well-known marks have specific rights. Article 6bis [Well-Known Marks] of the Paris Convention provides that: "The countries of the Union undertake ... to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods."

³ Unregistered trade names (like unregistered trade marks) which embody the goodwill of businesses can be protected internationally under Article 10bis [Unfair Competition] of the Paris Convention, and domestically through the common law passing off action.

⁴ Article 1(2) [Scope of intellectual property] of the Paris Convention provides that: "The protection of industrial property has as its object ... trade marks, ... and the repression of unfair competition." Article 1 of TRIPS provides that: "...the term "intellectual property" refers to all categories of intellectual property that are subject to Sections 1 (Section 2: Trademarks) through 7 of Part II." Article 15 (2) of TRIPS permits Members to deny trademark registration on grounds other than those expressly provided for in TRIPS and in the Paris Convention. Denial of registration on 'other

member, has to give protection to these categories of intellectual property under the TRIPS. Intellectual property protection includes matters affecting the availability, acquisition, scope, maintenance and enforcement of intellectual property rights as well as those matters affecting the use of intellectual property rights specifically addressed in TRIPS.

Intellectual Property Department
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grounds' would derogate from the Paris Convention only if the denial was on grounds that are inconsistent with the provisions of that Convention. Appellate Body Report on US - Section 211 Appropriations Act, paras. 171, 177 and 178.