

**Legislative Council  
Panel on Commerce and Industry**

**Proposed Creation of  
Two Permanent Posts at Assistant Principal Solicitor (DL1) rank  
in the Intellectual Property Department**

**PURPOSE**

This paper invites Members' views on the proposed upgrading of two permanent posts at Senior Solicitor ("SS") rank to two permanent posts at Assistant Principal Solicitor ("APS") (DL1) rank in the Intellectual Property Department ("IPD").

**BACKGROUND and JUSTIFICATION**

*The Grade Structure Review*

2. In November 2008, the Standing Commission<sup>1</sup> on Civil Service Salaries and Conditions of Service ("Standing Commission") published its Report No. 43 for the Grade Structure Review on the Government Counsel grade and the related Legal Aid Counsel and Solicitor grades.<sup>2</sup>

3. The Standing Commission noted that the Solicitor grade in IPD is a core professional grade in the Department. Over the past decade, Intellectual Property ("IP") law and related issues have further developed in terms of both scope and complexity. IP law is a fast emerging specialty, and IP lawyers are highly sought after by the market in Hong Kong, the Mainland and overseas<sup>3</sup>. Having regard to the level of responsibilities currently undertaken by the SSs in IPD, the Standing Commission could see a prima facie case for the Department to review whether it is functionally justified to upgrade certain SS posts to the next higher rank beyond the senior professional level. The Standing Commission recommended that IPD, in conjunction with the relevant bureaux and departments, should actively explore options in that direction.<sup>4</sup>

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<sup>1</sup> The Standing Commission advises and makes recommendations to the Chief Executive in respect of, inter alia, the salary and structure of individual grades in the non-Directorate Civil Service.

<sup>2</sup> The Report is available at <http://www.jsscs.gov.hk/reports/en/43/43.pdf>.

<sup>3</sup> Commission Report, para. 4.56.

<sup>4</sup> Commission Report, para. 4.62.

Need for strengthening directorate support in the Hearings Team

4. To follow up the recommendation of the Standing Commission, the Department has reviewed the specific responsibilities of the various teams in IPD. The Department considers that there are functional needs for strengthening directorate support in the Hearings Team as elaborated in the ensuing paragraphs.

Quasi-judicial functions entrusted to the Hearings Team

5. Currently, IPD has an establishment of 23 posts for legal professionals, including one Deputy Director (DL3), four Assistant Directors (DL2), 11 Ss and seven Solicitors. The Department is responsible for, among other things, the registration of trade marks in Hong Kong. In this connection, the Director of Intellectual Property (“DIP”) is also the Registrar of Trade Marks (“the Registrar”).

6. In line with international practice<sup>5</sup>, IPD has set up a team of specialised officers responsible for handling hearings on trade marks registration matters. At present, the Hearings Team (manned by one Assistant Director (Hearings) (AD(H)), three Ss and one Solicitor) undertakes quasi-judicial functions of conducting hearings on trade marks registration matters for the Registrar.<sup>6</sup>

7. The trade marks hearings handled by the Hearings Team consist of -

(a) *ex parte registrability hearings*

Where an applicant for registration of a mark disagrees with the objections raised by the Registrar against his application, he may request an *ex parte* “registrability hearing”;

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<sup>5</sup> Many trade mark offices elsewhere in the world (including the Office of Harmonization for the Internal Market in Europe, national trade mark offices in the United States of America, the United Kingdom, Australia, Singapore and Canada and the State Administration for Industry & Commerce of the People’s Republic of China) have an internal group or panel of specialized officers responsible for handling hearings on trade mark registration matters.

<sup>6</sup> Some Ss and Ss in other teams also help out in handling hearings as a non-core duty.

(b) *inter partes substantive hearings*

These include substantive hearings in opposition, revocation, invalidation and rectification proceedings. Any third party may file an opposition against an application for registration of a mark accepted and published by the Registrar. Also, after a mark has been registered, any third party may take out revocation, invalidation or rectification proceedings against it. All the above proceedings involve filing of statement of grounds and evidence by the parties in turn and a substantive hearing; and

(c) *ex parte and inter partes interlocutory hearings*

The most common type of *ex parte* interlocutory hearing involves application for extension of time by an applicant for registration of a mark to complete a step in the application process. Where the Registrar proposes to refuse a particular request for extension of time, the applicant may call for an *ex parte* interlocutory hearing. During the course of an *inter partes* proceeding, various interlocutory issues may arise between the parties, e.g. extension of time, leave to amend statement of grounds, consolidation, etc. If an interlocutory issue cannot be resolved by correspondence, a party may call for an *inter partes* interlocutory hearing.

Following any quasi-judicial proceeding in the Department, an appeal may be lodged to the Court<sup>7</sup> against any decision of the Registrar under the Trade Marks Ordinance (Cap. 559).

*High volume and complex hearings*

8. Trade marks *inter partes* substantive hearings involve a wide range of substantive and procedural issues. The parties are often represented at these hearings by counsel, and sometimes, even senior counsel specialising in this field. In most cases, the level of experience and expertise required of hearing officers have gone beyond that which is commensurate with the SS level and should more appropriately be handled at the directorate level.

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<sup>7</sup> The Court of First Instance.

9. Before 2000, all trade marks *inter partes* substantive hearings were dealt with by AD(H). In 2001, due to the build-up of cases and in anticipation of the higher demand (in terms of work load and expertise) for the Hearings Team following the imminent enactment of a new Trade Marks Ordinance in Hong Kong, two officers at the SS rank were drawn in to receive training and take up some of the trade marks *inter partes* substantive hearings.

10. The volume of trade marks *inter partes* proceedings increased sharply after the commencement of the new Trade Marks Ordinance (Cap. 559)<sup>8</sup> in 2003. The total number of *inter partes* substantive cases pending to be heard grew from around 50 in 2003 to above 200 in 2010. Some trade marks registrability hearings currently handled by the SSs involve complicated issues of fact and law and should more appropriately be handled at the directorate level. In fact, in a recent case<sup>9</sup>, the Court of Appeal has expressly stated the trust it places in the expertise held by (and expected of) hearing officers who exercise the above quasi-judicial functions on behalf of the Registrar.

11. Given the increasing volume of complex cases that require substantive input from experienced and senior legal professionals in the Department, we consider that there exists a real and urgent need to provide adequate professional support at the directorate level for the Hearings Team.

#### Career development for legal professionals

12. The Standing Commission also noted that IPD had encountered recruitment difficulties in recent years and was losing talent. The situation since 2008 had not significantly improved. In the three years ending March 2010, a total of ten Solicitors either resigned or sought appointment in another department<sup>10</sup>. Given the small size of the grade, the situation of losing trained officers in the Solicitor grade in IPD is acute.

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<sup>8</sup> The Trade Marks Ordinance (Cap. 559) (new law) repealed the previous Trade Marks Ordinance (Cap. 43) (old law).

<sup>9</sup> *Re Creative Resources LLC* (CACV 15/2009) [2010] 1 HKLRD 3822  
In this case, the Court of Appeal remarked that “*It has long been recognised that the Registrar has considerable experience in relation to matters such as distinctiveness and as to whether marks are appropriate for registration.*” (para. 11) “... *the very significant experience which the Registrar has in dealing with trade mark applications ... is an experience which no court has, or could be expected to have. The court has traditionally paid considerable respect to the views of the Registrar when considering the exercise of the discretion.*” (para. 17) ... “*Essentially, therefore, a similar approach should be taken to the exercise of discretion by the Registrar as by a judge.*” (para.22) [emphasis added]

<sup>10</sup> The situation was very acute in 2007-08, 2008-09 and 2009-10 where three, four and three Ss respectively left the Department, against a small establishment of only 18 SS/S posts in IPD.

13. Not only would the proposed upgrading of the two permanent posts at SS rank to two permanent posts at APS (DL1) rank reflect the level of experience and expertise required of these officers in handling trade marks *inter partes* substantive hearings and complex registrability hearings, it would also recognise their management responsibilities in training new or less experienced officers, helping to develop the latter into competent hearing officers.

A 14. The job description of the proposed APS posts is at **Annex A**. The proposed organisation chart of IPD at the directorate level upon implementation of  
B the proposed changes is at **Annex B**.

### LEGISLATIVE AMENDMENT

15. Pursuant to Section 5 of the Director of Intellectual Property (Establishment) Ordinance (Cap.412), the holder of an office specified in Schedule 1 to Cap. 412 may exercise the powers and perform the duties of the office of the DIP.

16. Subject to the Finance Committee's approval of the above proposal, we will amend Cap. 412 by adding the newly created APS posts to the list of offices set out in Part 1 of Schedule 1 to Cap. 412, and table the subsidiary legislation for negative vetting.

### ALTERNATIVE

17. There is no viable alternative. Consistent with the recommendation of the Standing Commission, this proposal is necessary for IPD to fulfill its statutory quasi-judicial role on a sustainable basis.

### FINANCIAL IMPLICATIONS

18. The proposed upgrading of two permanent posts at SS rank to two permanent posts at APS (DL1) rank will bring about an additional notional salary cost at mid-point of \$537,360 as follows -

	<b>Rank</b>	<b>Notional annual salary cost at mid-point (\$)</b>	<b>No. of posts</b>
<i>Less</i>	APS	2,530,800	2
	SS	1,993,440	2
	<b>Total</b>	537,360	0

19. The additional full annual average staff costs, including salaries and staff on-cost is \$998,000.

20. We will include the necessary provision in the 2011-12 draft Estimates to meet the cost of this proposal.

### **ADVICE SOUGHT**

21. Members are invited to comment on the proposal. Subject to Members' support, we will seek the approval of the Establishment Sub-Committee/Finance Committee for upgrading two permanent posts at SS rank to two permanent posts at APS (DL1) rank in IPD.

Commerce, Industry and Tourism Branch  
Commerce and Economic Development Bureau  
January 2011

**Job Description**

**Post title:** Assistant Principal Solicitor

**Rank:** Assistant Principal Solicitor (DL1)

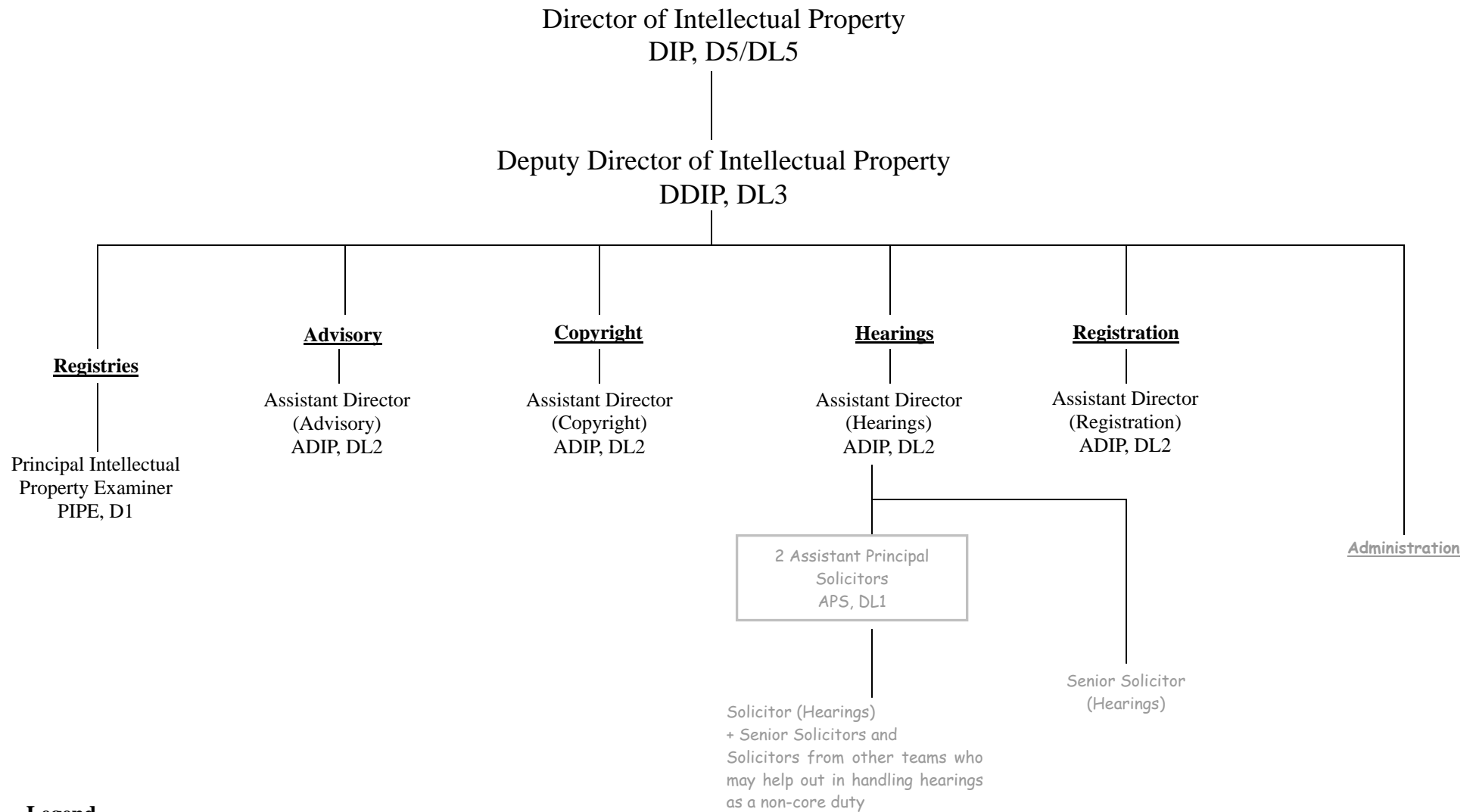
**Responsible to:** Assistant Director (Hearings)

**Main Duties and Responsibilities–**

1. To conduct trade marks opposition, revocation, invalidation and rectification hearings and hand down decisions.
2. To conduct complex registrability hearings and hand down decisions.
3. To train and develop junior hearing officers<sup>#</sup>.
4. To attend court on appeals against the registrability and interlocutory decisions of the Registrar of Trade Marks.

<sup>#</sup> They include, at present, 1 S in the Hearings Team, as well as 4 SSs and 3 Ss in the Advisory, Copyright and Registration Teams (see organization chart at Annex B) who may be enlisted to help out in handling hearings as non-core duty.

**Proposed Organisation Chart of the Intellectual Property Department at Directorate Level**



**Legend**

ADIP: Assistant Director of Intellectual Property

APS : Assistant Principal Solicitor

□ : Proposed posts at APS rank