

立法會
Legislative Council

LC Paper No. CB(1)686/14-15
(These minutes have been seen
by the Administration)

Ref : CB1/SS/5/14

**Subcommittee on Registration of Copyright Licensing Bodies (Amendment)
Regulation 2015, Trade Marks (Amendment) Rules 2015 and
Registered Designs (Amendment) Rules 2015**

**Minutes of first meeting held on
Tuesday, 17 February 2015, at 2:30 pm
in Conference Room 2A of the Legislative Council Complex**

Members present : Hon Charles Peter MOK (Chairman)
Hon WONG Ting-kwong, SBS, JP
Hon Cyd HO Sau-lan, JP
Hon MA Fung-kwok, SBS, JP
Hon Dennis KWOK
Hon SIN Chung-kai, SBS, JP

Member absent : Hon Paul TSE Wai-chun, JP

Public Officers attending : Agenda item II

Ms Ada LEUNG
Director of Intellectual Property

Miss Joyce POON
Assistant Director of Intellectual Property
(Registration)

Miss Magdalene LING
Principal Intellectual Property Examiner

Mr David F L WONG
Deputy Secretary for Commerce and Economic
Development (Commerce and Industry)

Clerk in attendance : Mr Derek LO
Chief Council Secretary (1)5

Staff in attendance : Miss Winnie LO
Assistant Legal Adviser 7

Mr Raymond SZETO
Council Secretary (1)5

Ms Michelle NIEN
Legislative Assistant (1)5

Action

I Election of Chairman

Mr WONG Ting-kwong, the member with the highest precedence in the Council among all members of the Subcommittee present, presided over the election of Chairman of the Subcommittee. He invited nominations for the chairmanship of the Subcommittee.

2. Mr SIN Chung-kai nominated Mr Charles Peter MOK, and the nomination was seconded by Mr Dennis KWOK. Mr Charles Peter MOK accepted the nomination. There being no other nomination, Mr Charles Peter MOK was elected Chairman of the Subcommittee.

II Meeting with the Administration

(L.N. 24, 25 and 26 of 2015 — Registration of Copyright
Licensing Bodies (Amendment)
Regulation 2015, Trade Marks
(Amendment) Rules 2015 and
Registered Designs
(Amendment) Rules 2015
(issued by Commerce and — Legislative Council Brief
Economic Development Bureau in
January 2015)

- LC Paper No. LS35/14-15 — Legal Service Division Report
- LC Paper No. CB(1)559/14-15(01) — Marked-up copy of Registration of Copyright Licensing Bodies (Amendment) Regulation 2015 prepared by the Legal Service Division (*Restricted to members*)
- LC Paper No. CB(1)559/14-15(02) — Marked-up copy of Trade Marks (Amendment) Rules 2015 prepared by the Legal Service Division (*Restricted to members*)
- LC Paper No. CB(1)559/14-15(03) — Marked-up copy of Registered Designs (Amendment) Rules 2015 prepared by the Legal Service Division (*Restricted to members*)
- LC Paper No. CB(1)559/14-15(04) — Paper on Registration of Copyright Licensing Bodies (Amendment) Regulation 2015, Trade Marks (Amendment) Rules 2015 and Registered Designs (Amendment) Rules 2015 prepared by the Legislative Council Secretariat (Background brief)
- LC Paper No. CB(1)488/14-15(01) — Submission dated 23 January 2015 from the Law Society of Hong Kong (*English version only*)

3. The Subcommittee deliberated (index of proceedings in the **Appendix**).
4. The Subcommittee completed clause-by-clause examination of the Registration of Copyright Licensing Bodies (Amendment) Regulation 2015 ("the Amendment Regulation"), the Trade Marks (Amendment) Rules 2015 and the Registered Designs (Amendment) Rules 2015 (collectively referred to as "the Amendment Rules") and it would not propose any amendments to them.
5. To address concern regarding the extent of disused trade marks raised by members at the meeting, the Administration was requested to –
 - (a) follow future cases of rejected applications for trade mark registration to understand the extent of rejected trade mark applications due to conflict with earlier trade marks on the Trade Marks Register;

- (b) consider measures to encourage non-renewal of disused trade marks; and
- (c) report the follow-up to (a) and (b) above to the Panel on Commerce and Industry for its reference as appropriate.

6. The Subcommittee noted that the period for amending the Amendment Regulation and the Amendment Rules would expire at the Council meeting of 25 February 2015. Given the lead time required to report the work of the Subcommittee to the House Committee, the Chairman said that he would move a motion at the Council meeting of 25 February 2015 to extend the scrutiny period to the Council meeting of 25 March 2015.

(Post-meeting note: The Chairman's motion to extend the scrutiny period was passed by the Council on 25 February 2015.)

III Any other business

- 7. There being no other business, the meeting ended at 3:55 pm.

Council Business Division 1
Legislative Council Secretariat
26 March 2015

**Proceedings of first meeting of the
Subcommittee on Registration of Copyright Licensing Bodies (Amendment) Regulation 2015, Trade
Marks (Amendment) Rules 2015 and Registered Designs (Amendment) Rules 2015
on Tuesday, 17 February 2015, at 2:30 pm
in Conference Room 2A of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
Election of Chairman			
000101 – 000400	Mr WONG Ting-kwong Mr Charles Peter MOK Mr Dennis KWOK Mr SIN Chung-kai	Election of Chairman	
Meeting with the Administration			
000401 – 001727	Chairman Administration	Briefing by the Administration on the Registration of Copyright Licensing Bodies (Amendment) Regulation 2015, the Trade Marks (Amendment) Rules 2015 and the Registered Designs (Amendment) Rules 2015.	
001728 – 002533	Chairman Mr MA Fung-kwok Administration	<p>Mr MA Fung-kwok raised the following enquiries –</p> <p>(a) whether the proposed fee revisions would discourage applicants from applying for registration of trade marks; and</p> <p>(b) why the public would use the fee-charging service provided by the Intellectual Property Department ("IPD") for searching the trade mark records when they could search for such records using IPD's on-line service free of charge.</p> <p>The Administration advised that –</p> <p>(a) it had consulted organizations of intellectual property practitioners regarding the fee revisions and noted no strong objection to the fee revision proposals until recently upon receipt of the submission dated 23 January 2015 from the Law Society of Hong Kong ("the Law Society"). The revised fees were also considered to be modest in view of the absence of fee adjustment for over 10 years; and</p> <p>(b) the public used the search of record service provided by the IPD so that they could have a report of searches performed by examiners of IPD as to whether in the opinion of the examiners, there were identical or similar trade marks in</p>	

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		<p>respect of identical or similar goods and services on the Trade Marks Register. Such advice might be useful to trade mark owners particularly those who were not entirely certain whether their trade marks were similar to any trade mark on record.</p>	
002534 – 003137	Chairman Mr SIN Chung-kai Administration	<p>At the invitation of Mr SIN Chung-kai, the Administration explained its response to the submission dated 23 January 2015 from the Law Society ("the Submission") (LC Paper No. CB(1)488/14-15(01)). Regarding the Law Society's objection to the proposed scale of increase in trade mark application fees and the reduction of renewal fees for trade marks and registered designs, the Administration maintained that the present fee revision proposals for the Trade Marks Registry and the Designs Registry respectively were a reasonable package balancing different considerations.</p> <p>On enquiry by Mr SIN, the Administration advised that even after the proposed reduction, the trade mark renewal fee would still be well over the costs of providing the service and as such, it would still be a major source of income and could subsidize the costs for trade mark applications.</p>	
003138 – 004853	Chairman Ms Cyd HO Administration	<p>Noting the claim in the Submission that the reduced trade mark and design renewal fees might encourage registrants to hold onto disused rights, Ms Cyd HO enquired about the number of disused trade marks and the number of rejected trade mark applications due to conflicts with existing trade marks on the Trade Marks Register.</p> <p>The Administration advised that –</p> <ul style="list-style-type: none"> (a) it did not have information on the number of disused trade marks; (b) any person could apply for the revocation of the registration of a trade mark on the ground that the trade mark had not been genuinely used by the owner for a continuous period of at least three years. This could help prevent the retention of disused trade marks for a long period of time. 40 registrations were revoked wholly or partly on the ground of non-use in 2014; and (c) since only about half of the registered trade marks were renewed, there appeared to be no signs of 	

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		<p>abuse in the renewal of disused trade marks.</p> <p>Ms HO urged the Administration to consider the recommendations in the Submission as she considered that there was no pressing need for IPD to achieve full cost recovery in the meantime. The Chairman enquired whether there would be any adverse impact arising from accepting the recommendations in the Submission.</p> <p>The Administration advised that –</p> <ul style="list-style-type: none"> (a) it had considered the recommendations in the Submission as well as various other factors, including the "user pays" principle and the established policy of achieving full cost recovery in providing services; (b) it had formulated the fee revision proposals to achieve the policy objectives of ensuring that application fees are competitive and affordable while keeping renewal fees above cost recovery level to encourage non-renewal of disused rights and achieving global cost recovery for each registry concerned; (c) the existing fees had not been revised for over 10 years; and (d) the cost of providing trade mark renewal services had significantly dropped since the implementation of automation and streamlined operational procedures. 	
004854 – 005700	Chairman Mr SIN Chung-kai Administration	<p>Mr SIN Chung-kai expressed agreement with the proposed fee revisions for achieving full cost recovery, bearing in mind that the increase should not be significant as being only a small part of the business costs over the ten-year registration period. Regarding the ways to encourage non-renewal of disused trade marks, Mr SIN said that the Administration should consider using administrative measures, such as requiring applicants to provide evidence of continued use of the trade marks, to substantiate the applications for renewal, instead of charging applicants a high renewal fee.</p> <p>The Administration advised that –</p> <ul style="list-style-type: none"> (a) the current fee revision proposals represented a 	The administration to follow up as per paragraph 5(b) of the minutes.

Time marker	Speaker	Subject(s)	Action required
		<p>reasonable package balancing different considerations;</p> <p>(b) even after the relatively mild reduction as proposed, the renewal fees for trade marks would still be higher than those charged in comparable jurisdictions such as Singapore; and</p> <p>(c) at present, there was an established mechanism for revocation of registration of disused trade marks.</p>	
005701 – 010019	Chairman Mr WONG Ting-kwong Administration	Mr WONG Ting-kwong expressed support for the fee revision proposals and the view that the Administration should provide more assistance to applicants in registering trade marks.	
010020 – 011010	Chairman Ms Cyd HO Mr WONG Ting-kwong Administration	<p>Ms Cyd HO suggested that the Administration should consider shortening the period of trade mark registration from ten years at present to three years. She repeated her request for the number of disused trade marks on the Trade Marks Register.</p> <p>The Administration advised that –</p> <p>(a) there were practical difficulties in tracing the number of disused trade marks among the huge number of trade marks on the Trade Marks Register because IPD did not have information on whether a trade mark was in use or not, except for those trade marks revoked on the ground of non-use;</p> <p>(b) there were established revocation procedures to safeguard against the retention of disused trade marks by the owners; and</p> <p>(c) shortening the renewal period of trade marks would increase the cost to be incurred and burden to be borne by owners in seeking renewals of trade mark registrations and subject to separate critical examination, which was beyond the scope of the present fee revision proposals.</p> <p>Acknowledging the difficulties in tracing disused trade marks, Ms HO asked the Administration to assess the extent of disused trade marks by analyzing cases of rejected applications due to conflict with earlier trade marks on the Trade Marks Register. Mr WONG Ting-kwong said that the number of rejected applications might not accurately reflect the situation</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>of disused trade marks because, as a matter of common business practice, applicants registering trade marks might submit multiple applications simultaneously to increase their chance of obtaining successful registrations.</p> <p>The Chairman considered that the Administration should follow up on the issue of disused trade marks as appropriate and report to the Panel on Commerce and Industry in due course taking into account members' views expressed at the meeting.</p>	<p>The administration to follow up as per paragraph 5(c) of the minutes.</p>
011011 – 011417	Chairman Mr SIN Chung-kai Administration	<p>To reduce prolonged ownership of disused trade marks, if any, Mr SIN Chung-kai suggested that the Administration could consider new measures, for example, implementing provisional registration with a shorter period and allowing owners to only register trade marks in use upon expiry of the provisional registration. Mr SIN echoed Ms Cyd HO's comment that the Administration should assess the extent of rejected applications for trade mark registration due to conflicts with earlier trade marks on the Trade Marks Register.</p> <p>The Administration took note of members' views on disused trade marks and advised that it would be onerous to analyze past records of rejected trade mark applications due to the huge number of applications involved. Notwithstanding that, the Administration could follow future applications for registration which were rejected due to conflict with earlier trade marks on the Trade Marks Register. The Chairman requested the Administration to follow up and report back to the Panel on Commerce and Industry in due course.</p>	<p>The administration to follow up as per paragraph 5(a) of the minutes.</p>
011418– 012122	Chairman Administration	<p>Clause-by-clause examination of the Registration of Copyright Licensing Bodies (Amendment) Regulation 2015, the Trade Marks (Amendment) Rules 2015 and the Registered Designs (Amendment) Rules 2015.</p>	
012123 – 012313	Chairman Mr WONG Ting-kwong Mr SIN Chung-kai	<p>Closing remarks</p> <p>Legislative timetable</p>	