

立法會
Legislative Council

LC Paper No. CB(1)831/14-15(06)

Ref. : CB1/PL/CI

Panel on Commerce and Industry

Meeting on 19 May 2015

**Background brief on the application of
the Protocol Relating to the Madrid Agreement Concerning the
International Registration of Marks
to the Hong Kong Special Administrative Region**

Purpose

This paper provides background information on the proposed application of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks ("Madrid Protocol") to the Hong Kong Special Administrative Region. It also summarizes the views and concerns expressed by members of the Panel on Commerce and Industry ("the Panel") on the subject in previous discussion.

Background

The trade mark system in Hong Kong

2. Trade marks are the most widely used form of registered intellectual property ("IP") throughout the world. The essential function of a trade mark is to guarantee the identity of the origin of the marked goods or services to the consumers. It is an important tool for branding, market innovation and competition. It facilitates business acquisition, licensing, franchising and all innovative forms of IP trading.

3. A registered trade mark is a property right obtained by the registration of the trade mark under the Trade Marks Ordinance (Cap. 559) ("TMO").¹ The

¹ Section 10 of TMO.

owner of a registered trade mark has the exclusive right to use the trade mark in relation to the goods or services for which the mark is registered throughout the territory of Hong Kong.² The registration of a trade mark in Hong Kong is valid for a period of 10 years and registration may be renewed for further periods of 10 years each.³ In other words, the validity of a trade mark registration is potentially perpetual.

4. Trade mark rights are territorial in nature and are granted in each jurisdiction independently according to its own laws and practice. In other words, these rights are confined to the place in which the mark is being applied for and registered. The trade mark registration system in Hong Kong therefore provides protection of marks registered in Hong Kong only. Trade marks registered in Mainland China or other countries or regions do not automatically receive protection in Hong Kong. Thus, traditionally, a trade mark owner needs to apply for registration of his trade mark in each jurisdiction where he wishes to obtain protection by registration.

Madrid Protocol

5. To facilitate the obtaining of protection of marks and the subsequent management in multiple countries or jurisdictions, the International Bureau ("IB") of the World Intellectual Property Organization ("WIPO") administers a system for international registration of trade marks ("Madrid System"). Under the Madrid System, a trade mark owner may apply for registration in one or more countries or territories by filing a single application and paying one set of fees. The Madrid System also simplifies the post-registration management of the marks through a central depository of WIPO which enables trade mark owners to centrally request and record further changes, or renew the registrations, through a single procedural step with the IB. The Madrid System is governed by two international treaties, namely the Madrid Agreement Concerning the International Registration of Marks ("Madrid Agreement")⁴ and the Madrid Protocol⁵.

6. Only sovereign states or qualified inter-governmental organizations (e.g. the European Union) may become contracting parties to the Madrid System. China is a contracting party to both the Madrid Agreement and the Madrid

² Section 14 of TMO.

³ Section 49 of TMO.

⁴ The Madrid Agreement was concluded in 1891 providing a system for extension of trade mark registration from one country to other countries. Major trading nations such as Australia, Japan, South Korea, the United Kingdom and the United States did not accede to the Madrid Agreement.

⁵ The Madrid Protocol was adopted in 1989. A number of new features were introduced with a view to addressing certain concerns and limitations under the Madrid Agreement. In recent years, most of the new accessions are to the Madrid Protocol only. Almost all contracting parties to the Madrid Agreement have joined the Madrid Protocol. The full text of the Madrid Protocol is available at http://www.wipo.int/wipolex/en/wipo_treaties/text.jsp?file_id=283484.

Protocol. Currently, the Madrid System is not applicable in Hong Kong. The Central People's Government may apply the Madrid Protocol to Hong Kong in accordance with Article 153 of the Basic Law⁶.

Consultation on the proposed application of the Madrid Protocol to Hong Kong

7. According to the Administration, it would be in Hong Kong's overall interest to apply the Madrid Protocol to Hong Kong. Joining the Madrid System will enhance the credibility of Hong Kong's trade mark regime, help establish Hong Kong as an international IP trading hub and reinforce Hong Kong's image as an international city and a knowledge-based economy.

8. The Administration launched a three-month consultation exercise on 11 November 2014 inviting views and comments from the public, particularly from stakeholders such as professional bodies in the trade mark business on the following issues:

- (a) The proposed application of the Madrid Protocol to Hong Kong, in particular –
 - the benefits and implications;
 - practical arrangement;
 - steps for implementation; and
 - tentative timing.
- (b) The need for and the desirable features of a possible special arrangement between Hong Kong and Mainland China to facilitate the reciprocal filing of trade mark applications.

Discussion by the Panel

9. The Panel discussed the issues and arrangements of the consultation on the proposed application of the Madrid Protocol to Hong Kong at its meeting on 18 November 2014. The major views and concerns expressed by members are summarized in the ensuing paragraphs.

10. Members noted that under the Madrid System, applications for trade mark registrations in multiple jurisdictions could be done by simply filing a single international application in one language, paying one set of fees with the

⁶ Article 153 of the Basic Law provides that:

"The application to the Hong Kong Special Administrative Region of international agreements to which the People's Republic of China is or becomes a party shall be decided by the Central People's Government, in accordance with the circumstances and needs of the Region, and after seeking the views of the government of the Region. ..."

Office of Origin⁷ and designate one or more contracting parties in which the applicant wished to register the mark. This one-stop process of applying for trade mark registrations in multiple jurisdictions would dispense trade mark owners with filing an individual application in each jurisdiction in which protection was sought, thus enabling considerable savings in terms of time and costs. Members supported in principle the proposed application of the Madrid Protocol to Hong Kong and urged the Administration to expedite the implementation such that Hong Kong enterprises could reap the benefits of joining the Madrid System early.

11. Some members referred to the problem that some famous Hong Kong brands were unable to register their trade marks in Mainland China where trade mark squatting was a common phenomenon. Members enquired whether the proposed application of the Madrid Protocol to Hong Kong could help address such a problem faced by Hong Kong enterprises, and help expedite the processing of applications for trade mark registration in Mainland China. The Administration advised that the application of the Madrid Protocol could generally help to speed up trade mark registration process as the trade mark office of the designated contracting party was required to process international applications and notify the IB Of WIPO of any refusal within the time limit specified in the Madrid Protocol.

12. Some members expressed concern that the proposed application of the Madrid Protocol to Hong Kong might result in a decrease in the number of domestic applications for trade mark registration in Hong Kong made by foreign applicants, and hence adversely affecting the business of local trade mark agents. According to the Administration, some overseas countries had either recorded an overall increase in both domestic and international applications or an increase in international applications for trade mark registration after their joining the Madrid Protocol. Such increase might result in more local trade mark agents and lawyers being engaged by foreign international applicants or registration holders in handling provisional refusals or oppositions and in undertaking legal work in connection with infringement actions and dispute settlements, thereby increasing the volume and value of work for the legal profession.

13. Given that Mainland China, not Hong Kong, was the contracting party to the Madrid Protocol, some members expressed concern about the future operation of the Madrid System in Hong Kong, in particular whether it was compulsory for trade mark owners in Hong Kong to apply for trade mark registrations in overseas countries through the Madrid System and whether such applications must be routed through the relevant Mainland authorities. The Administration was urged to set out clearly the workflow regarding the

⁷ The Office of Origin is the trade mark office where the basic mark is held.

processing of international applications under the Madrid System when submitting the relevant legislative proposals on the implementation of the Madrid Protocol in Hong Kong to the Legislative Council.

14. The Administration advised that the implementation of the Madrid Protocol in Hong Kong would just provide an additional pathway for Hong Kong trade mark owners to apply for trade mark registrations in multiple jurisdictions through a one-stop process under the Madrid System. Applicants who wished to seek trade mark registration in overseas countries under the Madrid System should still submit their international applications to the Intellectual Property Department, not the Mainland China Trademark Office ("CTMO"). Details of the future implementation of the Madrid Protocol in Hong Kong, including the procedures for receiving and processing of incoming and outgoing international applications would have to be further discussed and agreed with IB and the CTMO.

Latest position

15. The Administration will brief the Panel on 19 May 2015 on the outcome of the consultation on the proposed application of the Madrid Protocol to Hong Kong.

Relevant papers

16. A list of relevant papers is shown in the **Appendix**.

Council Business Division 1
Legislative Council Secretariat
13 May 2015

**Application of the Protocol Relating to the Madrid Agreement Concerning
the International Registration of Marks
to the Hong Kong Special Administrative Region**

List of relevant papers

Date of meeting	Meeting	Paper
18/11/2014	Panel on Commerce and Industry	Administration's paper on "Consultation on proposed application of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks to the Hong Kong Special Administrative Region" (LC Paper No. CB(1)211/14-15(05)) Minutes of meeting (LC Paper No. CB(1)345/14-15)