

For information

Legislative Council Panel on Commerce and Industry

The Government's Response to Trade Mark Issues Raised by the Subcommittee on Registration of Copyright Licensing Bodies (Amendment) Regulation 2015, Trade Marks (Amendment) Rules 2015 and Registered Designs (Amendment) Rules 2015

Purpose

At the meeting of the Subcommittee on Registration of Copyright Licensing Bodies (Amendment) Regulation 2015, Trade Marks (Amendment) Rules 2015 and Registered Designs (Amendment) Rules 2015 (Subcommittee) held on 17 February 2015, the Government agreed to keep track of future applications for trade mark registration which are rejected due to conflict with earlier trade marks on the Trade Marks Register (Register), consider measures to encourage non-renewal of disused trade marks, and report to the Panel on Commerce and Industry as appropriate in due course. This paper gives a report.

Details

2. The Subcommittee examined three pieces of subsidiary legislation for implementing fee revisions for the Copyright Licensing Bodies Registry, Trade Marks Registry and Designs Registry under the Intellectual Property Department (IPD) without proposing any amendments. The fee revisions¹ took effect on 30 March 2015.

3. Over the examination, some members of the Subcommittee were concerned about whether lower renewal fees might encourage renewal of disused trade marks. IPD has since followed up on the possible concern.

¹ These include fee reductions for renewal of trade mark registration under the relevant rules of the Trade Marks Rules –

- (a) rule 32(1) or (3) for the first class of goods or services set out in the specification;
- (b) rule 32(1) or (3) for each additional class of goods or services set out in the specification;
- (c) rule 33(2) for the first class of goods or services set out in the specification;
- (d) rule 33(2) for each additional class of goods or services set out in the specification; and
- (e) rule 35 for each additional class of goods or services set out in the specification (for restoration and renewal of trade mark registration removed from the Register).

(i) Trade mark applications objected to due to conflict with earlier marks

4. An application for registration of a trade mark may be objected to if it conflicts with an earlier mark. IPD has looked into the first responses² issued to trade mark applications before and after the fee reduction, and observed a slight drop in the percentage of those involving an objection due to conflict with earlier mark(s) -

Period³	Percentage of first responses involving earlier trade mark conflicts
February 2014 to March 2015	12.62%
April 2015 to May 2016	10.94%

(ii) Trade mark renewal rate

5. IPD has looked into the trade mark renewal rate before and after fee reduction and observed a slight drop of 0.66% over the selected period -

Period	Average renewal rate⁴
February 2014 to March 2015	56.16%
April 2015 to May 2016	55.50% ⁵

6. IPD has also looked at the period from 2013 to 2015 and observed that the average renewal rate is relatively stable -

Year	Average renewal rate
2013	57.87%
2014	56.28%
2015	56.34%

² A first response is the first office action issued after search and examination conducted by IPD. It covers first opinion (which sets out the grounds of objections raised including objections on distinctiveness and earlier trade mark objections) and publication notice (which informs an applicant of acceptance of the application subject to opposition, which may be raised within three months from the date of publication of the application).

³ Each period covers the same number of months (14 months) for valid comparison.

⁴ The average renewal rate is the percentage of the number of trade marks renewed out of the number of trade marks due for renewal during the selected period.

⁵ The figure has not taken into account all the late renewals as well as restorations and renewals of registration since the specified periods under the Trade Marks Rules have not yet expired. As the number of late cases is insignificant when compared with the total number of renewals, even if these late cases are taken into account, the adjustment to the figure will not be significant.

(iii) Revocation of trade marks on grounds of non-use

7. A third party may seek revocation of the registration of a trade mark on grounds of non-use if it has not been genuinely used in Hong Kong by the owner or with his consent, in relation to the goods or services for which it was registered, for a continuous period of at least three years, and there are no valid reasons for non-use. IPD has looked into the statistics of the last few years and observed an extremely low percentage of revocations out of the huge pool of trade marks in force -

Year	Successful revocation cases on grounds of non-use⁶	Trade marks in force on the Register (year end)	Percentage of revocation cases
2013	41	323 244	0.013%
2014	40	342 696	0.012%
2015	54	364 081	0.015%

Summing up

8. The findings above do not suggest any sign of concern due to the fee reduction to date, or on a longer term basis in recent years. The Government will continue to monitor the situation closely, and in case there are any cause of concern, consider appropriate actions to encourage non-renewal of disused trade marks.

Presentation

9. Members are invited to note this paper.

Commerce and Economic Development Bureau
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⁶ The number represents only the year in which the trade marks in question were revoked, not necessarily the year in which the applications were made.