

立法會
Legislative Council

LC Paper No. CB(1)1016/18-19
(These minutes have been seen
by the Administration)

Ref : CB1/BC/7/18

Bills Committee on Trade Marks (Amendment) Bill 2019

**Minutes of first meeting
on Friday, 15 March 2019, at 10:45 am
in Conference Room 3 of the Legislative Council Complex**

Members present : Hon WONG Ting-kwong, GBS, JP (Chairman)
Hon Paul TSE Wai-chun, JP
Hon Steven HO Chun-yin, BBS
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon Charles Peter MOK, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon SHIU Ka-fai

**Public officers
attending** : Agenda item II

Commerce and Economic Development Bureau

Mr Gary POON
Deputy Secretary for Commerce and Economic
Development (Commerce and Industry)²

Miss Alice CHOI
Principal Assistant Secretary for Commerce and
Economic Development (Commerce and
Industry)³

Intellectual Property Department

Ms Elsie TSE
Assistant Director of Intellectual Property
(Trade Marks)

Ms Winnie MAK
Senior Solicitor (Trade Marks)¹

Customs and Excise Department

Mr Ellis LAI, C.M.S.M.
Assistant Commissioner of Customs and Excise
(Intelligence and Investigation)

Department of Justice

Miss Cindy CHEUK
Senior Government Counsel

Mr Vincent FUNG
Government Counsel

Clerk in attendance : Mr Desmond LAM
Chief Council Secretary (1)³

Staff in attendance : Miss Rachel DAI
Assistant Legal Adviser 2

Ms Connie HO
Senior Council Secretary (1)³

Miss Zoe YIP
Clerical Assistant (1)³

Action

I. Election of Chairman

Mr WONG Ting-kwong, the Member who had the highest precedence among members of the Bills Committee present at the meeting, presided at the election of the chairmanship of the Bills Committee. Mr WONG invited nominations for the chairmanship of the Bills Committee.

2. Mr WONG Ting-kwong was nominated by Mr SHIU Ka-fai and the nomination was seconded by Ir Dr LO Wai-kwok. Mr WONG accepted the nomination. Mr Paul TSE then took over the chair from Mr WONG to preside over the election.

3. There being no other nomination, Mr Paul TSE declared that Mr WONG Ting-kwong was elected Chairman of the Bills Committee. Mr WONG then took the chair.

4. Members agreed that it was not necessary to elect a Deputy Chairman.

II. Meeting with the Administration

(LC Paper No. CB(3)378/18-19 -- The Bill

LC Paper No. CB(1)708/18-19(01) -- Mark-up copy of the Bill prepared by the Legal Service Division (Restricted to members only)

File Ref: CITB CR 06/47/1 -- Legislative Council Brief issued by the Commerce and Economic Development Bureau

LC Paper No. LS47/18-19 -- Legal Service Division Report

LC Paper No. CB(1)708/18-19(02) -- Paper on Trade Marks (Amendment) Bill 2019 prepared by the Legislative Council Secretariat (background brief))

5. The Bills Committee deliberated (Index of proceedings attached at **Annex**).

Follow-up actions to be taken by the Administration

6. The Administration was requested to –

- (a) provide information on the legislative arrangements for implementing the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks ("the Madrid Protocol") in Hong Kong, and the relationship (if any) with the possibility of putting in place separate administrative arrangements to facilitate reciprocal filing of trade mark applications between Hong Kong and the Mainland;
- (b) in respect of the Government's recent proposal to amend the Fugitive Offenders Ordinance (Cap.503) ("FOO"), explain whether a Hong Kong resident or a Hong Kong entity having committed a criminal offence in relation to trade mark infringement in the Mainland would constitute a ground for the surrender of the relevant person(s) by

virtue of Item 14 ("offences against the law relating to protection of intellectual property, copyrights, patents or trademarks") of Schedule 1 to FOO if the relevant legislative proposal was passed;

- (c) advise whether and how the judgments of Mainland courts on trade mark infringement cases in the Mainland could be enforced in Hong Kong; and give details on the possible implications of the implementation of the Madrid Protocol in Hong Kong on the arrangement on reciprocal recognition and enforcement of judgments in civil and commercial matters signed between Hong Kong and the Mainland in January 2019;
- (d) set out the maximum penalties of criminal offences in relation to copyright and trade mark infringements under the Trade Descriptions Ordinance (Cap. 362) and Copyright Ordinance (Cap. 528), and criminal offences in relation to trade mark registration under the Trade Marks Ordinance (Cap. 559) respectively; and
- (e) provide relevant information such as documentary proof of the in-principle support by the Central People's Government ("CPG") for and the acceptance of the World Intellectual Property Organization of the possible extension of application of the Madrid Protocol by the CPG to the Hong Kong Special Administrative Region.

(Post-meeting note: The Administration's response was issued to members on 10 April 2019 (LC Paper No. CB(1)862/18-19(02).)

Invitation of views

7. Members agreed that the public and relevant organizations be invited to make written submissions on the Bill. In this connection, the Chairman drew members' attention to the proposed list of organizations to be invited to make written submissions tabled at the meeting, and invited members to notify the Secretariat of any specific organizations which they wished to invite to give views on the Bill. On the instruction of the Chairman, members' views were sought on whether deputations/individuals would be invited to make oral representations to the Bills Committee at the second meeting.

(Post-meeting note: In response to LC Paper No. CB(1)717/18-19 issued on 15 March 2019, a majority of members agreed to invite deputations/individuals to make oral representations to the Bills Committee at the second meeting.)

Date of next meeting

8. Members noted that the second meeting of the Bills Committee would be held on Monday, 15 April 2019 from 2:30 pm to 4:30 pm.

III. Any other business

9. There being no other business, the meeting ended at 12:19 pm.

Council Business Division 1
Legislative Council Secretariat
6 May 2019

**Proceedings of the first meeting of
the Bills Committee on Trade Marks (Amendment) Bill 2019
on Friday, 15 March 2019, at 10:45 am
in Conference Room 3 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
000425 – 000626	Mr WONG Ting-kwong Mr Paul TSE Mr SHIU Ka-fai Ir Dr LO Wai-kwok	<u>Election of Chairman</u> Mr WONG Ting-kwong was elected Chairman of the Bills Committee.	
000627 – 000809	Chairman	Opening remarks	
000810 – 001955	Chairman Administration	Briefing by the Administration on the Trade Marks (Amendment) Bill 2019 ("the Bill") (LC Paper No. CB(3)378/18-19 and File Ref: CITB CR 06/47/1).	
001956 – 002550	Chairman Ir Dr LO Wai-kwok Administration	<p>Ir Dr LO Wai-kwok indicated in-principle support for the proposed legislative amendments to the Trade Marks Ordinance (Cap. 559) ("TMO"). Noting that the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks ("the Madrid Protocol") was an international agreement and hence not applicable to mutual designations between the Mainland and Hong Kong, Ir Dr LO expressed the following views –</p> <p>(a) given that the Mainland was the most important trading partner of Hong Kong and the development of the two places was closely intertwined, the Administration should consider putting in place arrangements to facilitate one-stop registration of trade marks in both Hong Kong and the Mainland by applicants of the two places on the basis of the Madrid Protocol. Consideration should also be given to promoting mutual recognition of trade mark registrations between Hong Kong and the Mainland through such arrangements; and</p> <p>(b) the Administration should study how to implement the Madrid Protocol in Hong Kong under the principle of "one country, two systems", and strive for early</p>	

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		<p>implementation of the proposed separate administrative arrangements between Hong Kong and the Mainland to bring one-stop convenience for applicants of both places. The Administration was requested to report the progress of development of the aforesaid matter to the relevant Panel of the Legislative Council.</p> <p>The Administration responded that –</p> <ul style="list-style-type: none"> (a) as the Madrid Protocol was an international agreement, it was not applicable to mutual designations between the Mainland and Hong Kong. The arrangements between the two places within the same country would be subject to further discussion with the relevant Mainland authorities; (b) having regard to the overall benefits in the best interest of Hong Kong, the Administration considered it appropriate to go ahead with the implementation of the Madrid Protocol in Hong Kong, in order to enable Hong Kong businesses to obtain and manage international trade marks registration in a more convenient and cost-effective manner; (c) while proceeding forward with the implementation of the Madrid Protocol in Hong Kong, the Administration would in parallel continue to discuss with the relevant Mainland authorities the possibility of putting in place separate administrative arrangements to facilitate reciprocal applications for trade mark registration by Hong Kong and Mainland applicants; and (d) it would, however, be difficult to put in place a mechanism for mutual recognition of trade mark registrations between Hong Kong and the Mainland, given that the two places had separate trade marks regimes. 	

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002551-003511	Chairman Administration	<p>The Chairman was concerned as to how the Madrid Protocol could be implemented in Hong Kong in the light of the principle of "one country, two systems". He further made the following enquiries on the operational issues in relation to the implementation of the Madrid Protocol in Hong Kong –</p> <ul style="list-style-type: none"> (a) whether it would be necessary for overseas trade mark owners seeking trade marks protection in both Hong Kong and the Mainland to designate both places in their applications submitted to the World Intellectual Property Organization ("WIPO") under the registration mechanism provided by the Madrid Protocol in the future; (b) details of the fees schedule for applications for international registration of a trade mark submitted by a trade mark owner in Hong Kong designating one or more contracting parties to the Madrid Protocol in which protection was sought ("international application"); and (c) whether the Customs and Excise Department ("C&ED") and the Hong Kong Police Force would both be responsible for enforcing the criminal offence provisions provided for under TMO pursuant to the proposed legislative amendments. <p>The Administration responded that –</p> <ul style="list-style-type: none"> (a) Hong Kong and the Mainland had separate trade marks regimes. The criteria adopted by the two places in examining applications for trade mark registration might not be the same. The pools of trade marks registered in the two places were also different. As such, overseas trade mark owners seeking protection for their trade marks in Hong Kong and the Mainland should file separate applications for registration in the two places. Upon the application of the Madrid Protocol to Hong Kong, overseas trade mark owners could 	

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		<p>designate both Hong Kong and China in their international applications submitted to WIPO;</p> <p>(b) the fees to be charged on an international application submitted by a trade mark owner in Hong Kong would comprise of the fees charged by the (i) Trade Marks Registry ("the Registry") of Hong Kong, which would be set in accordance with the "user pays" principle on a full-cost recovery basis; (ii) International Bureau of the WIPO for conducting preliminary formality examination, which was currently set at about HK\$5,000 per application; and (iii) trade marks offices of the designated contracting parties for conducting substantive examination; and</p> <p>(c) C&ED would be the sole agency responsible for enforcing the criminal offence provisions under TMO upon the passage of the Bill. C&ED would take enforcement actions on relevant cases including those referred by the Intellectual Property Department in the future.</p>	
003512 – 004419	Chairman Mr WU Chi-wai Administration	<p>Taking the example of a well-known international brand which had lost in a lawsuit to another brand in relation to its trade mark registrations on the Mainland, Mr WU Chi-wai enquired whether the judgment of a Mainland court on the relevant case would have any impact on the registration of the trade marks of the international brand concerned in Hong Kong.</p> <p>The Administration responded that –</p> <p>(a) the Madrid Protocol was meant to provide for a more convenient mechanism for registration of a trade mark in multiple jurisdictions through a one-stop application process in lieu of individual filings in each of the jurisdictions concerned; and</p> <p>(b) trade mark rights were territorial in nature and were granted in a jurisdiction</p>	

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		<p>independently according to its laws and practices. The implementation of the Madrid Protocol would not involve any change to the trade mark regimes of the concerned contracting parties. As such, the judgment of the court of one contracting party to the Madrid Protocol on the registration of a particular trade mark would not have any implications on the registration of the relevant trade mark in other contracting parties.</p> <p>In response to Mr WU Chi-wai's enquiry on how the international applications submitted by trade mark owners in Hong Kong would be processed, the Administration advised that upon receiving the relevant applications, the Registry would refer them to WIPO for conducting formality examination. WIPO would then transmit the applications to the trade mark offices of the designated contracting parties for conducting substantive examination in accordance with their respective domestic trade mark laws and practices.</p>	
004420 – 005456	Chairman Mr CHUNG Kwok-pan Administration	<p>Mr CHUNG Kwok-pan remarked that it was a common practice for enterprises to engage intermediary companies to handle applications for registration of trade marks on their behalf, and enquired whether it would be necessary for enterprises to engage such intermediaries for the relevant work upon the implementation of the Madrid Protocol in Hong Kong in the future.</p> <p>The Administration advised that –</p> <p>(a) trade mark owners might submit applications for registration of trade marks on their own or engage an agent to submit the relevant applications on their behalf, and both practices would continue to be acceptable upon the implementation of the Madrid Protocol in Hong Kong; and</p> <p>(b) it might not be necessary for trade mark owners to hire an agent to handle straightforward applications. However,</p>	

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		<p>whether to engage an agent in any application would entirely be a commercial decision of the trade mark owners concerned.</p> <p>Mr CHUNG said that trade mark infringements might constitute criminal offences in both Hong Kong and the Mainland. In respect of the Government's recent proposal to amend the Fugitive Offenders Ordinance (Cap.503) ("FOO"), Mr CHUNG enquired whether a Hong Kong resident or a Hong Kong entity having committed a criminal offence in relation to trade mark infringement on the Mainland would constitute a ground for the surrender of the relevant person(s) by virtue of Item 14 ("offences against the law relating to protection of intellectual property, copyrights, patents or trademarks") of Schedule 1 to FOO if the relevant legislative proposal was passed.</p> <p>The Administration responded that TMO contained a number of criminal offence provisions against the acts of falsifying the register of trade marks; falsely representing a trade mark as registered; and misusing the title of the Registry (sections 93 to 96). These provisions governed offences committed in Hong Kong and not in other places. In any event, the proposal set out in the Bill had nothing to do with the other proposal put forward by the Security Bureau to amend FOO. A written response would be provided to address Mr CHUNG's concern in this regard.</p>	<p>The Administration to follow up as stated in paragraph 6(b) of the minutes.</p>
005457 – 011018	Chairman Mr WU Chi-wai Administration	<p>Mr WU Chi-wai echoed the concern of Hon CHUNG Kwok-pan on whether the Government's proposal to amend FOO would result in the surrender of Hong Kong residents being involved in criminal offences relating to trade mark infringement on the Mainland in the future. Mr WU also enquired about –</p> <p>(a) the mechanism provided for under the Madrid Protocol which allowed the extension of the application of the Madrid Protocol to Hong Kong by the Central People's Government ("CPG");</p>	

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		<p>(b) whether the judgments of Mainland courts on trade mark infringement cases would have any effect on registration of the relevant trade marks in Hong Kong upon the application of the Madrid Protocol to Hong Kong; and</p> <p>(c) details of the legislative arrangements for implementing the Madrid Protocol in Hong Kong and the administrative arrangements between Hong Kong and the Mainland to facilitate reciprocal filing of applications between the two places.</p> <p>The Administration clarified that –</p> <p>(a) the Madrid Protocol was not meant to link up the trade mark regimes of all its 103 contracting parties. As such, the applications for trade mark registrations and related disputes would continue to be handled in accordance with the local laws of the relevant contracting parties;</p> <p>(b) the implementation of the Madrid Protocol in Hong Kong did not involve any fundamental change to the basic tenets of Hong Kong's domestic trade marks regime as set out in TMO. In considering whether to grant registration to a trade mark, the Registry would not take into account the results of any legal disputes involving the relevant trade mark in the Mainland or in other jurisdictions given that such dispute cases would not bear direct relevance to the registration of the concerned trade mark in Hong Kong;</p> <p>(c) the Madrid Protocol was an international agreement. While China was already a contracting party to the Madrid Protocol, the Protocol was not yet applicable to Hong Kong at present. The Government of the Hong Kong Special Administrative Region ("HKSAR") had obtained in-principle support of CPG for the proposed application of the Madrid Protocol to Hong Kong. Upon completion of the relevant preparatory</p>	

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		<p>work, such as amending TMO, preparing the subsidiary legislation on the procedural details, setting up the necessary information technology system, drawing up detailed workflows for processing international applications and international designations (HK), the Government of HKSAR would seek CPG's agreement to apply the Madrid Protocol to Hong Kong. CPG would then formally notify WIPO regarding the extension of the application of the Madrid Protocol to Hong Kong; and</p> <p>(d) the possibility of putting in place separate administrative arrangements to facilitate reciprocal applications for trade mark registration by Hong Kong and Mainland applicants was a separate issue to be dealt with. In this connection, the Administration would in parallel continue the relevant discussion with the relevant Mainland authorities, while proceeding forward with the implementation of the Madrid Protocol in Hong Kong.</p>	
011019 – 011735	Chairman Mr CHUNG Kwok-pan Administration	<p>Mr CHUNG Kwok-pan enquired about the maximum penalties of criminal offences in relation to copyright and trade mark infringements under the Trade Descriptions Ordinance (Cap. 362) and Copyright Ordinance (Cap. 528), and criminal offences in relation to trade mark registration under TMO respectively. The Administration advised that the Bill did not propose any changes to the penalties of the criminal offences under TMO. The Administration would provide the information requested after the meeting.</p> <p>Mr CHUNG cited a case where a well-known international brand had lost a lawsuit in relation to trade mark registration in the Mainland and pointed out that there might be a possibility that the international brand concerned would be subsequently ruled by the Mainland court of having infringed the trade mark owned by the other party in the dispute in the Mainland. In this connection, Mr CHUNG enquired whether and how the judgments of Mainland courts on trade mark</p>	The Administration to follow up as stated in paragraphs 6(c) and (d) of the minutes.

Time marker	Speaker	Subject(s)	Action required
		<p>infringement cases in the Mainland could be enforced in Hong Kong. The Administration would provide relevant information in response to Mr CHUNG's enquiry after the meeting.</p> <p>Mr CHUNG reiterated his concern about the Government's recent proposal to amend FOO and its possible implications when considering together with the criminal offences provided for under TMO.</p>	
011736 – 012035	Chairman Mr WU Chi-wai Administration	<p>Mr WU Chi-wai requested the Administration to provide the following information –</p> <ul style="list-style-type: none"> (a) the details of the administrative arrangements between Hong Kong and the Mainland to be put in place to facilitate the implementation of the Madrid Protocol in Hong Kong; and (b) the possible implications of the implementation of the Madrid Protocol in Hong Kong on the arrangement on reciprocal recognition and enforcement of judgments in civil and commercial matters signed between Hong Kong and the Mainland in January 2019. <p>The Administration advised that –</p> <ul style="list-style-type: none"> (a) the possibility of putting in place separate administrative arrangements between Hong Kong and the Mainland would be subject to discussion with the relevant Mainland authorities, and was a separate issue to be dealt with, in parallel with the implementation of the Madrid Protocol in Hong Kong; and (b) to address Mr WU Chi-wai's concern, the Administration would provide information on the legislative arrangements for implementing the Madrid Protocol in Hong Kong, and the relationship (if any) with the possibility of putting in place separate administrative arrangements to facilitate reciprocal filing of trade mark applications between Hong Kong and the Mainland. 	The Administration to follow up as stated in paragraphs 6(a) and (c) of the minutes.

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012036 – 012441	Chairman Legal Adviser to Bills Committee Administration	<p>The Legal Adviser to the Bills Committee enquired about the procedures and the legal framework for implementing the Madrid Protocol in Hong Kong.</p> <p>The Administration advised that CPG had given in-principle support for the application of the Madrid Protocol to Hong Kong. Upon completion of relevant preparatory work, such as amending TMO, preparing the subsidiary legislation on the procedural details, setting up the necessary information technology system, drawing up detailed workflows for processing international applications and international designations (HK), the Government of HKSAR would seek CPG's agreement to apply the Madrid Protocol to Hong Kong. CPG would then formally notify WIPO on the proposed extension of the application of the Madrid Protocol to Hong Kong.</p>	
012442 – 013258	Chairman Mr WU Chi-wai Administration	<p>Mr WU Chi-wai enquired whether WIPO had agreed to the proposed application of the Madrid Protocol to Hong Kong by CPG and if there was any similar precedent case.</p> <p>The Administration advised that –</p> <ul style="list-style-type: none"> (a) in principle, only one trade mark office would be operable under the Madrid Protocol for each contracting party. WIPO and CPG had agreed on a special arrangement to have the Registry as well as the Trademark Office of National Intellectual Property Administration of the Mainland operable under the Madrid Protocol upon the extension of the application of the Protocol to Hong Kong; and (b) in response to Mr WU Chi-wai's request, the Administration undertook to see if it could provide any relevant information on the in-principle support by CPG and the acceptance of WIPO on the possible extension of application of the Madrid Protocol by CPG to Hong Kong. 	The Administration to follow up as stated in paragraph 6(e) of the minutes.

Time marker	Speaker	Subject(s)	Action required
013259 – 013809	Chairman Mr WU Chi-wai Administration	Members agreed that the public and relevant organizations be invited to make written submissions on the Bill. On the instruction of the Chairman, the Secretariat would consult members' views on whether they wished to invite deputations/individuals to make oral representations to the Bills Committee at its next meeting. Meeting arrangements.	

Council Business Division 1
Legislative Council Secretariat
6 May 2019