

立法會
Legislative Council

LC Paper No. CB(1)708/18-19(02)

Ref. : CB1/BC/7/18

Bills Committee on Trade Marks (Amendment) Bill 2019

Background brief

Purpose

This paper provides background information on the Trade Marks (Amendment) Bill 2019 ("the Bill") which seeks to amend the Trade Marks Ordinance (Cap. 559) ("TMO") to provide for the implementation of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks ("Madrid Protocol") in Hong Kong. This paper also summarizes the major views and concerns expressed by members of the Panel on Commerce and Industry ("the Panel") on the relevant proposed legislative amendments.

Background

2. As an international agreement, the Madrid Protocol¹ provides for a mechanism for seeking registration of a trade mark in the register of the International Bureau of the World Intellectual Property Organization ("WIPO") and for seeking extension of protection of such a trade mark in multiple jurisdictions under one single application. In gist, under the Madrid Protocol, an international application can be filed by a trade mark owner via the trade mark office where the basic mark is held. With the payment of one set of fees, the trade mark owner may designate one or more contracting parties in which protection is sought. The trade mark office of each designated contracting party examines the international application according to its domestic trade mark laws and practices to consider granting registration. Trade mark owners may also manage their trade mark portfolios maintained in different jurisdictions through a single set of procedures with WIPO. While China is one of the

¹ The Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks ("Madrid Protocol") has 103 contracting parties as at 1 March 2019, including China and many other major trading partners of Hong Kong (such as Australia, the European Union, Japan, Korea, Singapore and the United States).

contracting parties to the Madrid Protocol, the agreement currently does not apply to Hong Kong.²

3. The Administration conducted a public consultation between November 2014 and February 2015 on the proposal to seek application of the Madrid Protocol to Hong Kong. Having examined the views received and having regard to the overall benefits in the best interest of Hong Kong, the Administration decided in 2017 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. The Central People's Government has indicated its in-principle support to the proposed application of the Madrid Protocol to Hong Kong.

4. Upon application of the Madrid Protocol to Hong Kong, an overseas trade mark owner seeking protection in Hong Kong as well as the Mainland of the trade mark will be able to designate both places in one single international application. As the Madrid Protocol is an international agreement, it is not applicable to mutual designations between the Mainland and Hong Kong. In this regard, the Administration will continue to discuss with the relevant Mainland authorities on the possibility of putting in place separate administrative arrangements to facilitate reciprocal applications by Hong Kong and Mainland applicants, while proceeding forward with the implementation of the Madrid Protocol in Hong Kong.

5. According to the Administration, the implementation of the Madrid Protocol in Hong Kong does not involve any fundamental change to the basic tenets of the domestic trade marks regime as set out in TMO. Yet, it requires the introduction of new processes and modifications to the existing application and registration procedures in the Trade Marks Rules (Cap. 559 sub. leg. A). New enabling provisions have to be added to TMO to empower the Registrar of Trade Marks ("the Registrar") to make the essential procedural rules to give effect to the provisions of the Madrid Protocol in Hong Kong. Subject to the passage of the Bill and the progress of other preparatory work, and the progress in securing the agreement of the Central People's Government to apply the Madrid Protocol to Hong Kong, the Administration plans to implement the Madrid Protocol in Hong Kong in 2022-2023 the earliest.

² The Central People's Government may apply the Madrid Protocol to Hong Kong in accordance with Article 153 of the Basic Law.

Trade Marks (Amendment) Bill 2019

6. The Bill was published in the Gazette on 8 February 2019 and received its First Reading at the Council meeting of 20 February 2019. The Bill seeks to amend TMO to (a) empower the Registrar to make essential procedural rules for implementing the Madrid Protocol in Hong Kong; (b) confer powers on the Customs and Excise Department ("C&ED") to enforce the criminal provisions under TMO; and (c) make miscellaneous technical amendments to enhance Hong Kong's trade mark application and registration system.

7. The main provisions of the Bill are set out in paragraphs 14 to 18 of the Legislative Council Brief (File Ref. CITB CR 06/47/1).

Major views and concerns expressed by members

8. The Panel was consulted on the relevant proposed legislative amendments on 20 November 2018. The views and concerns of members are summarized in the ensuing paragraphs.

Possible arrangement between Hong Kong and the Mainland to facilitate reciprocal filing of trade mark applications alongside the Madrid Protocol

9. Noting that the Madrid Protocol was not applicable to mutual designations between Hong Kong and the Mainland, members enquired that given the close economic ties between the two places, whether there would be any special arrangement to facilitate the reciprocal filing of trade mark applications between the two places alongside the Madrid Protocol.

10. The Administration advised that trade mark rights were territorial in nature and were granted in each jurisdiction independently according to its own laws and practices. During the public consultation exercise on the proposed application of the Madrid Protocol to Hong Kong conducted from November 2014 to February 2015, stakeholders had also been consulted on the need for a possible arrangement between Hong Kong and the Mainland without prejudice to the proposed application of the Madrid Protocol to Hong Kong. Some respondents were of the view that given the significant differences in the trade mark laws and practices between the two places, any such arrangement would entail a host of technical complexities which had to be overcome and the administrative and costs implications for Hong Kong would also need to be studied. 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 by Hong Kong and Mainland applicants, so as not to hold up the overall progress of the implementation of the Madrid Protocol in Hong Kong.

Enforcement of criminal provisions under the Trade Marks Ordinance

11. Regarding the Administration's proposal on conferring powers on C&ED to enforce the criminal provisions under TMO after the application of the Madrid Protocol to Hong Kong, members expressed concern about its implications on C&ED's workload and enquired whether C&ED would be provided with sufficient manpower to carry out the necessary enforcement duties. Noting that the Administration planned to regularize the existing arrangement by putting the enforcement of the criminal provisions under TMO under one roof, viz. on C&ED, they further asked whether the manpower currently responsible for enforcing the criminal provisions under TMO by the Hong Kong Police Force would be transferred to C&ED.

12. The Administration advised that C&ED should be able to cope with any increase in workload with its existing manpower and resources since over the years there were only a handful of suspected cases of contravention. Besides, C&ED had also studied the criminal provisions under TMO and was of the view that the provisions were of a similar nature to those provisions under the Trade Descriptions Ordinance (Cap. 362), which were currently enforced by C&ED.

Implementation of the Madrid Protocol

13. While noting that the Administration considered that the implementation of the Madrid Protocol in Hong Kong involved no fundamental changes to the basic tenets of Hong Kong's trade marks regime as set out in TMO, some members were concerned that there might still be certain changes to the existing application and registration procedures for trade marks in Hong Kong. They enquired whether such changes, if any, would bring adverse effect to the local trade mark profession, and if so, whether the major stakeholders had been thoroughly consulted on the relevant changes.

14. The Administration advised that the increase in the utilization of the international trade mark registration system under the Madrid Protocol and the designations to Hong Kong might give rise to new business opportunities for the industry and increase the demand for its services in the longer term. The Administration had also engaged the stakeholders in the course of preparation of the legislative amendments to TMO, and would continue to maintain liaison with them and take into account their views when taking forward other preparatory work for implementing the Madrid Protocol (including the preparation of proposals for subsidiary legislation to provide for the procedural details, and detailed workflows for processing different applications, etc.).

Latest development

15. At the House Committee meeting held on 1 March 2019, Members agreed to form a Bills Committee to study the Bill.

Relevant Papers

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

Council Business Division 1
Legislative Council Secretariat
14 March 2019

Appendix

List of relevant papers

Date	Event	Paper
20/11/2018	Panel on Commerce and Industry	<p>Administration's paper on "Proposed amendments to the Trade Marks Ordinance (Cap. 559)" (LC Paper No. CB(1)173/18-19(06))</p> <p>Updated 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 prepared by the Legislative Council Secretariat (LC Paper No. CB(1)173/18-19(07))</p> <p>Minutes of meeting (LC Paper No. CB(1)550/18-19)</p>
4/2/2019 (issue date)	Legislative Council Brief	Legislative Council Brief on "Trade Marks (Amendment) Bill 2019" issued by Commerce and Economic Development Bureau (File Ref.: CITB CR 06/47/1)
1/3/2019	House Committee	Legal Service Division Report on Trade Marks (Amendment) Bill 2019 (LC Paper No. LS47/18-19)