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Trade Marks (Amendment) Bill 2019

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Dear Sir

The Hong Kong Group of the Asian Patent Attorneys Association ("HKAPAA") is one of the Recognised Groups of the Asian Patent Attorneys Association ("APAA") which is an accredited observer of World Intellectual Property Organization (WIPO). HKAPAA was established in 1974 and has been active in the field of Intellectual Property (IP) for 45 years. Its members include the most experienced professionals in the IP field including solicitors, barristers and overseas qualified patent agents and attorneys. It has a close working relationship with the Hong Kong Intellectual Property Department and connections with Government and Non-Government Organizations within the Intellectual Property community around the world.

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We have the following submissions regarding the Trade Marks (Amendment) Bill 2019 (the "Bill"). Unless otherwise stated, we shall adopt the terminology used in the Bill, and "Clause(s)" refer to clause(s) in the Bill.

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1 Clause 10 – amendment of Section 46 of the Trade Marks Ordinance, Cap 559 ("Ordinance")

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1.1 Paragraph 13 of the Explanatory Memorandum attached to the Bill explains that Clause 10 amends section 46(2) of the Ordinance to allow the representation and the registered particulars of a registered trade mark to be added to an application for registration of a trade mark under certain conditions if the Registrar considers appropriate.

1.2 We refer to section 46(6) proposed to be added by Clause 10(2) of the Bill, and would draw the Bills Committee to a special category of trade marks which are accepted for registration only as a result of consent having been given by the owner of an earlier trade mark ("**senior mark**"). We shall

hereinafter refer to a trade mark in this category as a “**trade mark registered by consent**”.

1.3 The consent of the owner of a senior mark is required when a trade mark applied for is considered to be similar to the senior mark such that an objection to registration under section 12 of the Ordinance “Relative grounds for refusal of registration” would be raised.

1.4 When examining an application for registration of a trade mark, if the Registrar considers that the mark applied for is identical or confusingly similar to a senior mark, an objection under section 12 of the Ordinance will be raised to refuse to register the mark applied for. This is because the senior mark, being an earlier trade mark registered in Hong Kong, enjoys exclusive rights in the mark under section 14 of the Ordinance (“**exclusive rights**”), and (subject to exceptions provided for in the Ordinance) such exclusive rights are infringed if another party uses in the course of trade or business a sign which is identical or similar to the senior mark in relation to goods or services which are identical or similar to those for which the senior mark is registered.

1.5 However, the Registrar will waive the objection under section 12 of the Ordinance if the trade mark applicant is able to get the consent of the owner of the senior mark to the registration of the mark applied for. If consent is obtained, the trade mark applied for will be accepted for registration, and the following endorsement will be placed on the Register of Trade Marks:

“By consent, Trade Mark No. [#]”

where # means the registration number of the senior mark, the owner of which gave consent to the registration mark applied for in the later application.

The said endorsement is placed on the Register of Trade Marks under the heading “Disclaimer / Limitation / Condition / Others”.

1.6 In practice, when the owner of a senior mark receives a request for consent to the registration of a later mark, the owner of the senior mark will carefully consider the details of the specific application seeking its consent, and if the owner of the senior mark is prepared to give consent, the letter of consent will be narrowly worded to refer specifically to the mark and the goods/services applied for and the relevant application number (which will become the registration number

when the later application proceeds to registration after receiving the consent of the owner of the senior mark).

1.7 The issue which we wish to bring to the attention of the Bills Committee is the situation where a trade mark applicant wishes to invoke section 46(2) to amend a trade mark under application by adding a registered trade mark its owns ("**applicant's registered mark**") to form an amended mark ("**resultant mark**") consisting of (a) a trade mark registered by consent of the owner of a senior mark, and (b) the mark under application. This situation is not covered by Clause 10(2) of the Bill.

1.8 Clause 10(1) of the Bill proposes to repeal section 46 subsection (2) by substituting the said subsection with:

"(2) The Registrar may amend an application for registration of a trade mark to add a representation of a registered trade mark together with the registered particulars of that trade mark the Registrar considers appropriate.
....."

(underlining ours)

1.9 Section 46(6) proposed to be added by Clause 10(2) of the Bill gave some examples of the particulars or matters entered on the register that will be carried over the resultant mark. However the proposed section 46(6) is silent in relation to the registered particulars of a trade mark registration which was obtained by consent, even though the "consent" aspect is endorsed against the trade mark registration (see paragraph 1.5 hereof). How is this "silence" or "omission from reference" to be interpreted and what is the legal implication?

1.10 The fact that a trade mark is registered by consent of the owner of a senior mark has legal implication, both under the repealed Trade Marks Ordinance (Cap. 43) and the current Trade Marks Ordinance (Cap. 559). "Consent" of the owner of a senior mark is therefore one of the material particulars affecting the rights of both the owner of the senior mark and the right of the later applicant, who obtained registration of his mark only by consent of the owner of the senior mark. The fact of "By consent, [registration number of the senior mark]" is endorsed in the Certificate of Registration of the later registered mark, both under Cap. 43 and Cap. 559, and is entered in the Register of Trade Marks under section 67(2) of the Ordinance.

- 1.11** We submit that the Registrar of Trade Marks cannot ignore the "consent" aspect relating to the applicant's registered mark, because this affects the exclusive rights enjoyed by the owner of the senior mark conferred under section 14 of the Ordinance. More specifically, we submit that the Registrar of Trade Marks has no power to reduce the exclusive rights enjoyed by the owner of the senior mark once the senior mark is registered. For this reason, and for the reason mentioned in the preceding paragraph, the "consent" aspect is not a particular relating to a trade mark registration that the Registrar has discretion to decide whether or not is should be carried over to the resultant mark under the proposed new section 46(2).
- 1.12** On the other hand, as mentioned in paragraph 1.6 above, the consent given by the owner of a senior mark to the applicant's registered mark is specific consent and not general consent. It is not appropriate to assume that the owner of the senior mark will likewise consent to the registration of the resultant mark which the trade mark applicant wishes to create by invoking section 46(2).
- 1.13** We submit therefore that the only practicable solution to the situation is to amend the proposed section 46 subsection (2A) by adding a further condition to the effect that "where the registered trade mark is registered by consent of the owner of an earlier trade mark, the consent of the owner of the earlier trade mark has to be obtained".
- 1.14** We submit that the fresh consent of the owner of the senior mark referred to in paragraph 1.13 above should be a condition for allowing a trade mark registered by consent to be added to a mark under application, in the same way as the trade mark applicant's registered mark was allowed registration, in the first place, by consent of the owner of the senior mark.
- 1.15** If the senior mark owner does not give consent to the trade mark applicant to add the senior mark to the mark under application to form the proposed resultant mark, the Registrar has no discretion to allow the trade mark applicant to add the applicant's registered mark, which was registered by consent of the senior mark owner, to the mark applied for to form a resultant mark, because

- (i) the applicant's registered mark only achieved registration by consent of the owner of the senior mark;
- (ii) the endorsement "By consent, [registration number of the senior mark] is a material particular registered against the applicant's registered mark under section 67(2) of the Ordinance because, but for such consent, the applicant's registered mark would be refused registration under section 12 of the Ordinance ;and
- (iii) the consent given by the owner of the senior mark to the registration of the applicant's registered mark was confined to that mark only, not to the proposed resultant mark.

1.16 We submit further that the exclusive rights conferred on the owner of the senior mark by section 14 of the Ordinance must be respected and must not be compromised. The "silence" or "omission from reference" that a trade mark was registered by consent proposed in the new section 46(5) is not acceptable, because the Registrar of Trade Marks has no power to omit such a material particular from the applicant's registered mark – see paragraphs 1.10 and 1.11. if the Registrar deliberately omits such a material particular from the applicant's registered mark, the Registrar is altering the exclusive right conferred on the owner of the senior mark under section 14(1) of the Ordinance, which he has no power to do.

1.17 Further, allowing a trade mark applicant to amend its mark under application by adding a mark it registered by consent of the owner of a senior mark will result in a resultant mark that is partly subject to "consent" of the owner of a senior mark and partly without the consent of the owner of a senior mark. The legal implication of such a trade mark is unclear, and impacts the application of section 12(8) and section 53(6) of the Ordinance.

1.18 Clarity of the legal implication of "consent" given by the owner or a senior mark to a later applicant is required, otherwise owners of senior marks will be disinclined to provide consent when requested, and this will render meaningless the whole idea of enabling a later applicant whose trade mark under application is in conflict with a senior mark to overcome an objection under section 12 of the Ordinance by obtaining consent from the owner of the senior mark.

2 Clause 8 – amendment of Section 38 of the Ordinance and Clause 21 – amendment of Rule 63 of the Trade Marks Rules (“Rules”)

- 2.1** We support the amendment proposed in Clause 8 and Clause 21 to require the trade mark applicant, assignor, assignee, vested person or transferees of a trade mark or application or any right in the trade mark or application, if it is a corporation, to provide the place under the law of which the corporation was formed and registered, incorporated or established. This enables clear identification of the party involved, and facilitates due diligence in trade marks and applications or rights in trade marks or applications which in turn facilitates trading in intellectual property, as well as enable adverse parties to carry out investigation and file opposition or seek invalidation of trade marks applied for or registered in bad faith.
- 2.2** However, we see no good reason not to require the licensee or parties holding interest in a trade mark or application or any right in the trade mark or application, if it is a corporation, to provide similar information. In particular, an exclusive licensee may have the same rights and be entitled to the same remedies as if the licence had been an assignment (section 34 of the Ordinance). As a result, the advantage of clear identification mentioned in paragraph 2.1 will not extend to these parties. We suggest that the amendment to Rule 63 should include these parties as well.
- 2.3** We note also that there is no provision to require existing trade mark owners, assignors, assignees, etc., if they are corporations, to provide information about where they are registered, incorporated or established. As a result, the advantage of clear identification mentioned in paragraph 2.1 will not extend to these parties. We suggest that a provision be included in the present amendment of the Ordinance and the Rules to require existing owners, licensees and parties having an interest in trade marks or applications or rights in trade marks or application, if they are corporations, to provide information about where they are registered, incorporated or established at the time when they carry out any procedure regarding their trade mark or application or any right in trade mark or application, for example, during renewal, alteration of existing registered transactions or recordal of change of name or address.

2.4 We further suggest that the amendments sought in Class 8 and Clause 21 (and extended as suggested in paragraphs 2.2 and 2.3) be extended further to include trade mark applicants, assignors, assignees, vested persons, transferees, licensees and holders of interests in trade mark or application or any right in trade mark or application which are not corporations (in other words, natural persons or natural persons representing unincorporated entities) to provide their identity card numbers for identification. Under present day emphasis of anti-money laundering and terrorist financing measures, it would be a loophole if intellectual property can be held in the name of an individual whose identity cannot be verified.

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Yours faithfully



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