

LEGISLATIVE COUNCIL BRIEF

Trade Marks Ordinance (Chapter 559)

TRADE MARKS (AMENDMENT) BILL 2019

INTRODUCTION

A

At the meeting of the Executive Council on 29 January 2019, the Council ADVISED and the Chief Executive ORDERED that the Trade Marks (Amendment) Bill 2019 (“the Bill”) at Annex A should be introduced into the Legislative Council (“LegCo”) to –

- B

- (a) empower the Registrar of Trade Marks (“the Registrar”)¹ to make essential procedural rules for implementing the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (“Madrid Protocol”) (Annex B) in Hong Kong;
 - (b) confer powers on the Customs and Excise Department (“C&ED”) to enforce the criminal provisions under the Trade Marks Ordinance (“TMO”); and
 - (c) make miscellaneous technical amendments to enhance Hong Kong’s trade mark application and registration system.

JUSTIFICATIONS

Implementation of the Madrid Protocol in Hong Kong

2. Trade mark rights are territorial in nature and are granted in a jurisdiction independently according to its laws and practices. Traditionally, a trade mark owner needs to apply for registration of a trade mark in each and every jurisdiction where the owner wishes to obtain local protection for the trade mark. The Madrid Protocol is an international agreement that seeks to facilitate the registration and management of trade marks in multiple jurisdictions under one single application (see paragraph 4 below). It has 103 contracting parties as at 31 December 2018, including China and many other major trading partners

¹ The office of the Registrar is held by the Director of Intellectual Property.

of Hong Kong², though it has yet to be applied to Hong Kong. The Central People's Government ("CPG") has indicated its in-principle support to the proposed application of the Madrid Protocol to Hong Kong.

3. We conducted a public consultation exercise between November 2014 and February 2015 to gauge the views of stakeholders on the Government's proposal to seek application of the Madrid Protocol to Hong Kong. Having carefully examined the views received (as summarised in paragraph 21 below) and having regard to the overall benefits in the best interest of Hong Kong, we indicated to the LegCo Panel on Commerce and Industry in February 2017 that we would 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.

4. The Madrid Protocol 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") (known as "international registration") and for seeking extension of protection of such a trade mark in multiple jurisdictions through international registration by a one-stop application process in lieu of individual filings in each of the jurisdictions concerned, thus greatly simplifying the registration process. In gist, upon the application of the Madrid Protocol to Hong Kong –

- (a) a trade mark owner in Hong Kong may file an application for international registration of a trade mark with our Trade Marks Registry ("the Registry"), pay one set of fees and designate one or more other contracting parties to the Madrid Protocol in which protection is sought (known as "international application"). Upon receiving the application, the Registry will refer it to WIPO for its onward transmission to the trade mark offices of the designated contracting parties; and
- (b) likewise, a trade mark owner in another contracting party to the Madrid Protocol may file with the local trade mark office an application for international registration of a trade mark, pay one set of fees there and designate "Hong Kong SAR of China" to seek protection of the trade mark in Hong Kong (known as "international designation (HK)"). In such a case, the request will be channelled through WIPO to the Registry. Substantive examination of the international designation (HK) is to be handled by the Registry according to the same criteria as domestic applications under TMO.

5. Following registration, holders of international registrations can also manage their trade mark portfolios in different designated contracting parties

² They include Australia, the European Union, Japan, Korea, Singapore and the United States.

through a single set of procedures with WIPO. Examples include the recording of a change in ownership, changes in the name and address of a holder of an international registration, the appointment of a representative, and other procedures pertaining to the management of the rights in an international registration in all or some of the contracting parties where protection has been granted.

6. Upon the implementation of the Madrid Protocol in 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 Kong³.

7. The implementation of the Madrid Protocol in Hong Kong does not involve any fundamental change to the basic tenets of our domestic trade marks regime as set out in TMO, but we would need to introduce new processes and modifications to the existing application and registration procedures in the subsidiary legislation (i.e. the Trade Marks Rules (Cap. 559 sub. leg. A) (“TMR”)). New enabling provisions have to be added to TMO to empower the Registrar to make the essential procedural rules on such matters to give effect to the provisions of the Madrid Protocol in Hong Kong. The approach of including only enabling provisions in the principal legislation to empower the relevant authorities to make rules while leaving the substantive content of such rules in the subsidiary legislation follows the approach consistently adopted by many other common law jurisdictions in their legislative exercises to implement the Madrid Protocol, e.g. Australia, New Zealand, Singapore and the United Kingdom⁴.

Enforcement powers for C&ED

8. TMO contains 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 (under sections 93 to 96). The provisions are presently enforced by the Hong Kong Police Force (“HKPF”).

9. Meanwhile, C&ED has been responsible for taking criminal sanctions against copyright and trade mark infringements under the Copyright Ordinance (Cap. 528) and the Trade Descriptions Ordinance (Cap. 362) (“TDO”). Alongside the implementation of the Madrid Protocol in Hong Kong, we consider it appropriate to rationalise the existing arrangement by putting the enforcement of the criminal provisions under TMO under one roof, as with those

³ We would in parallel 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.

⁴ For example, sections 53 and 54 of the Trade Marks Act 1994 of the United Kingdom and section 54 of the Trade Marks Act of Singapore.

under the Copyright Ordinance and TDO, viz. with C&ED. This will help enhance the synergy in the enforcement of intellectual property (“IP”) laws and the confidence of other jurisdictions in the integrity of Hong Kong’s enforcement regime for offences related to trade mark registration.

10. While over the years there were only a handful of suspected cases of contravention, we propose that C&ED be equipped with the necessary powers for dealing with possible cases of contravention of TMO in future⁵. These powers are in line with those conferred on C&ED under other existing ordinances for which they serve as the enforcement agency. Such enforcement powers include –

- (a) the power to require a person to provide information or documents, and to give assistance that C&ED reasonably requires for investigation;
- (b) the power to enter and search any place with a warrant issued by a magistrate⁶, and to inspect, examine, search, seize, remove and detain anything that appears to be evidence in the place;
- (c) the power to stop and search any conveyance, to seize and detain anything that appears to be evidence, and to make any inquiry for investigation;
- (d) the power to stop, search, arrest and detain a person reasonably suspected to have committed an offence under TMO; and to use force that is reasonably necessary; and
- (e) the power to forfeit or dispose of anything in respect of which an offence has been committed; to release any seized item to its owner or the owner’s authorized agent; and to apply to the court for the forfeiture of any seized item whether or not any person is charged under TMO.

11. To ensure effective enforcement, it would also be necessary to make certain acts of obstructing an investigation (e.g. knowingly or recklessly providing any information that is false or misleading in a material particular, or non-compliance with an enforcement officer’s requirements) a criminal offence. We also propose to make it clear in the law that C&ED may, for the purposes of promoting international co-operation in the protection of IP rights, disclose any information obtained to the relevant enforcement authorities in other relevant jurisdictions.

⁵ Over the years, HKPF relies on the general powers accorded to its officers under the Police Force Ordinance (Cap. 232) to enforce these provisions. These powers are not set out in TMO.

⁶ No warrant would be required if the delay necessary to obtain a warrant could result in the loss or destruction of evidence or for any other reason it would not be reasonably practicable to obtain a warrant.

Enhancing specific provisions of TMO

12. TMO was enacted in 2003 and has not undergone any major updating exercise since then. In the light of certain court decisions over the years and the latest international practices, it is necessary to make miscellaneous technical amendments to TMO. These proposed amendments seek to, for example, enhance the protection afforded to well-known trade marks⁷ under TMO, and require a corporate applicant for registration of a trade mark to provide information as to its place of incorporation. Details of these miscellaneous amendments are set out in paragraph 16 below.

THE BILL

13. The main provisions of the Bill are set out below.

Power to make rules for international registration of trade marks

14. **Clause 13** adds a new Part XA to TMO to empower the Registrar to make rules to implement the international registration system under the Madrid Protocol. Division 1 of the new Part XA defines certain terms for the interpretation of that Part and empowers the Registrar to make rules to give effect in Hong Kong to the provisions of the Madrid Protocol; Division 2 empowers the Registrar to make rules to deal with international applications and international designations (HK); and Division 3 contains enabling provisions for other matters relating to the implementation of the international registration system under the Madrid Protocol.

Enforcement powers for C&ED

15. **Clause 15** adds a new Part XIIA to TMO to provide for the enforcement powers in relation to the offences under TMO. Division 1 of the new Part XIIA defines certain terms for the interpretation of that Part; Division 2 provides for the appointment of enforcement officers by the Commissioner of Customs and Excise (“Commissioner”) and their powers of investigation; Division 3 covers the officers’ powers of arrest and forfeiture and contains offence provisions regarding non-compliance with enforcement officers’ requirements during

⁷ “Well-known trade mark” is defined under section 4(1) of TMO as a trade mark which is well known in Hong Kong and which is the trade mark of a person who —

- (a) is a national of, or is domiciled or ordinarily resident in, a Paris Convention country or World Trade Organization (“WTO”) member;
- (b) has a right of abode in Hong Kong; or
- (c) has a real and effective industrial or commercial establishment in a Paris Convention country, a WTO member or Hong Kong,

whether or not that person carries on business in Hong Kong or owns any goodwill in a business in Hong Kong.

In determining whether a trade mark is well known in Hong Kong, the factors set out in Schedule 2 to TMO should be taken into account.

investigations; and Division 4 deals with miscellaneous matters, such as the Commissioner's cooperation with authorities outside Hong Kong.

Miscellaneous amendments of technical nature

16. **Clauses 6 to 12** amend specific sections of TMO to –
- (a) enhance the protection afforded to well-known trade marks (**Clauses 6 and 7**);
 - (b) require a corporate applicant for registration of a trade mark to provide information as to its place of incorporation or its equivalent (**Clause 8**);
 - (c) require application fees to be paid before an application for registration of a trade mark is given a filing date (**Clause 9**);
 - (d) allow the representation, and the registered particulars (as the Registrar considers appropriate), of a registered trade mark to be added to an application for registration of a trade mark under certain conditions (**Clause 10**);
 - (e) provide an avenue for applying to the Registrar for correcting errors or omissions in the register of trade marks that are attributable to the Registrar (**Clause 11**); and
 - (f) allow the Registrar to give preliminary advice as to whether a prospective application for registration of trade mark is likely to be refused on specified grounds for refusal in TMO and clarify the circumstances under which an applicant may be repaid the fees for filing an application for registration of a trade mark (**Clause 12**).
17. **Clauses 19 to 26** make related amendments to TMR arising from the proposed amendments to TMO as set out in paragraph 16 above.
18. **Clause 27** makes consequential amendments to the definition of “trade mark” in section 2 of TDO⁸.

LEGISLATIVE TIMETABLE

19. The legislative timetable will be as follows –

⁸ Under section 2 of TDO, a trade mark means, among other things, a trade mark registered or capable of registration under TMO. After the implementation of the Madrid Protocol in Hong Kong, a “protected international trade mark (HK)” (as defined under Clause 4 of the Bill) will enjoy the same scope of protection as that conferred on a domestic trade mark registered under TMO. The definition of “trade mark” as provided for in section 2 of TDO should therefore be amended to include a “protected international trade mark (HK)”.

Publication in the Gazette	8 February 2019
First Reading and commencement of Second Reading debate	20 February 2019
Resumption of Second Reading debate, committee stage and Third Reading	To be notified

IMPLICATIONS OF THE PROPOSAL

20. The proposal is in conformity with the Basic Law, including the provisions concerning human rights. It has no competition, environmental, family, gender and productivity implications. It will not affect the current binding effect of TMO. The economic, financial, civil service and sustainability implications are set out in Annex C.

C

PUBLIC CONSULTATION

21. The Government conducted a consultation exercise between November 2014 and February 2015 to gauge public views on the proposed implementation of the Madrid Protocol in Hong Kong. The majority of the respondents supported the proposal whilst some respondents from the local trade mark profession expressed concerns about the possible lack of tangible benefits and possible adverse implications on their business. Some respondents also considered it desirable if there could be a special arrangement between the Mainland and Hong Kong to facilitate the reciprocal filing of trade mark applications alongside the Madrid Protocol. We briefed the LegCo Panel on Commerce and Industry on our way forward in February 2017, and Members indicated support to the proposed application of the Madrid Protocol to Hong Kong and some urged the Government to expedite the implementation as far as practicable.

22. To engage the trade and the profession on the operational details, the Intellectual Property Department held briefings on the key proposed legislative amendments to members of the three IP professional bodies⁹ and the Bar Association in December 2017 and to chambers of commerce, IP organisations and small and medium enterprise associations in January 2018. Submissions from practitioners' groups had been taken into account in formulating the proposed amendments to TMO. The LegCo Panel on Commerce and Industry indicated in November 2018 its support to our proposed legislative amendments.

⁹ The three intellectual property professional bodies are the Asian Patent Attorneys Association Hong Kong Group, the Hong Kong Institute of Trade Mark Practitioners and the Intellectual Property Committee of the Law Society of Hong Kong.

PUBLICITY

23. A press release will be issued on 8 February 2019. A spokesperson will be made available to answer enquiries.

BACKGROUND

24. Administered by WIPO, the Madrid Protocol is an international agreement which seeks to facilitate the registration and management of trade marks in different jurisdictions. It enables a trade mark owner to file an international application via the trade mark office where the basic mark¹⁰ is held (the Office of Origin) and, with the payment of one set of fees, to designate one or more contracting parties in which protection is sought. The trade mark office of each designated contracting party (the Designated Office), in considering whether to grant registration, examines the international application in accordance with its domestic trade mark laws and practices. Trade mark owners may also manage their trade mark portfolios maintained in different jurisdictions through a single procedure with WIPO.

25. In Hong Kong, apart from preparing the Bill, other preparatory work for the implementation of the Madrid Protocol is underway. Such work includes preparing proposals for subsidiary legislation to provide for the procedural details of the implementation, developing work plans for setting up a dedicated information technology system, drawing up detailed workflows for processing international applications and international designations (HK), etc. Subject to the progress of the legislative exercise (paragraph 19) and other preparatory work, and the progress in securing the CPG's agreement to apply the Madrid Protocol to Hong Kong, we plan to implement the Madrid Protocol in Hong Kong in 2022-23 the earliest.

ENQUIRIES

26. Any enquiries on this brief may be addressed to Miss Alice Choi, Principal Assistant Secretary for Commerce and Economic Development (Commerce and Industry) at telephone number 2810 2862.

Commerce and Economic Development Bureau
4 February 2019

¹⁰ A basic mark refers to the trade mark right of a basic registration or application on which the international application is based. A basic mark under the Madrid Protocol may refer to the mark of a basic registration or a pending basic application at the trade mark office of a contracting party in which the applicant is qualified to file an international application.

Trade Marks (Amendment) Bill 2019

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A BILL

To

Amend the Trade Marks Ordinance to provide for the implementation of an international registration system of trade marks under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks; to enhance the mechanism for registering trade marks; to include enforcement powers; and to provide for related or technical amendments.

Enacted by the Legislative Council.

Part 1

Preliminary

1. Short title and commencement

- (1) This Ordinance may be cited as the Trade Marks (Amendment) Ordinance 2019.
- (2) Subject to subsection (3), this Ordinance comes into operation on the day on which it is published in the Gazette.
- (3) Section 5 and Part 4 come into operation on a day to be appointed by the Secretary for Commerce and Economic Development by notice published in the Gazette.

2. Enactments amended

The enactments specified in Parts 2, 3 and 4 are amended as set out in those Parts.

Part 2

Amendments to Trade Marks Ordinance (Cap. 559)

3. Long title amended

The long title—

Repeal

“new provision in respect of the registration of trade marks”

Substitute

“provision for the registration of trade marks, to give effect to the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks,”.

4. Section 2 amended (interpretation)

(1) Section 2(1)—

Repeal the definition of *corporation*

Substitute

“*corporation* (法團) means—

- (a) a company as defined by section 2(1) of the Companies Ordinance (Cap. 622); or
- (b) any other body corporate incorporated or established in or outside Hong Kong;”.

(2) Section 2(1), definition of *court*, before “means”—

Add

“, except in Part XHIA,”.

(3) Section 2(1)—

Repeal the definition of *rules*

Substitute

“*rules* (《規則》) means rules made under Part XA or section 91;”.

(4) Section 2(1)—

Add in alphabetical order

“*International Bureau* (國際局) means the International Bureau of the World Intellectual Property Organization established under the Convention Establishing the World Intellectual Property Organization signed at Stockholm on 14 July 1967;

international designation (HK) (國際指定(香港)) means a request, made under Article 3^{ter} of the Madrid Protocol, for extension to Hong Kong of the protection resulting from the international registration of a trade mark;

International Register (國際註冊簿) means the register of trade marks maintained for the purposes of the Madrid Protocol by the International Bureau;

international registration (國際註冊) means the registration of a trade mark in the International Register;

Madrid Protocol (《馬德里議定書》) means the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks adopted at Madrid on 27 June 1989, as amended from time to time;

protected international trade mark (HK) (受保護國際商標(香港)) means a trade mark on which protection resulting from international registration of the mark is conferred in Hong Kong in accordance with the rules made under Part XA;”.

5. **Section 5 amended (meaning of *earlier trade mark*)**

(1) Section 5(1), after “another trade mark”—

Add

“(other trade mark)”.

(2) Section 5(1)—

Repeal paragraph (a)

Substitute

“(a) a registered trade mark, or an international trade mark (HK), that has a date of the application for registration earlier than that of the other trade mark, taking into account the priorities claimed (if any) in respect of—

- (i) the registered trade mark and the other trade mark; or
- (ii) the international trade mark (HK) and the other trade mark; or”.

(3) After section 5(3)—

Add

“(4) In this section—

international trade mark (HK) (國際商標(香港))—

- (a) means a trade mark—
 - (i) that is the subject of an international designation (HK); and
 - (ii) that is entitled to protection in accordance with the rules made under Part XA; and
- (b) without limiting paragraph (a), includes a protected international trade mark (HK).”.

6. **Section 12 amended (relative grounds for refusal of registration)**

(1) Section 12—

Repeal subsection (4)

Substitute

- “(4) Subject to subsection (6), a trade mark (*later trade mark*) that is identical or similar to an earlier trade mark must not be registered if, or to the extent that—
- (a) the earlier trade mark is entitled to protection under the Paris Convention as a well-known trade mark; and
 - (b) the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.”.

(2) Section 12(6)—

Repeal

“one or more”.

7. Section 18 amended (infringement of registered trade mark)

(1) Section 18(4), Chinese text—

Repeal

“就某些貨品或服務而”.

(2) Section 18(4)(a)—

Repeal

“goods or services which are not identical or similar to those for which the trade mark is registered”

Substitute

“any goods or services”.

8. Section 38 amended (application for registration)

Section 38—

Repeal subsection (2)

Substitute

“(2) The application must include—

(a) for an applicant that is a corporation—

- (i) a request for registration of the trade mark;
- (ii) the name and address of the corporation;
- (iii) the place under the law of which the corporation was formed and registered, incorporated or established;
- (iv) a statement of the goods or services in relation to which registration of the trade mark is sought;
- (v) a representation of the trade mark; and
- (vi) any other information, document or matter that the rules may require; or

(b) for any other applicant—

- (i) a request for registration of the trade mark;
- (ii) the name and address of the applicant;
- (iii) a statement of the goods or services in relation to which registration of the trade mark is sought;
- (iv) a representation of the trade mark; and
- (v) any other information, document or matter that the rules may require.”.

9. Section 39 amended (filing date)

(1) Section 39—

Repeal subsection (1)

Substitute

- “(1) The filing date of an application for registration of a trade mark is the date on which both of the following conditions are fulfilled—
- (a) all the documents containing the particulars required by section 38(2)(a)(i), (ii), (iv) and (v) or (b)(i), (ii), (iii) and (iv) are filed with the Registrar;
 - (b) the fees payable under section 38(5) are paid.”.

(2) Section 39—

Repeal subsection (2).

10. Section 46 amended (amendment of application)

(1) Section 46—

Repeal subsection (2)

Substitute

- “(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.
- (2A) However, the application may be amended only if all the following conditions are met—
- (a) at the time the request is made, the registered trade mark is registered in the applicant’s name;
 - (b) the application is made in respect of any or all of the goods or services for which the registered trade mark is registered;
 - (c) the date of registration of the registered trade mark is earlier than the date of the application.
- (2B) If the application is amended as provided for under subsection (2), the registered particulars have effect only

in relation to the part of the amended application that is a representation of the registered trade mark.”.

(2) After section 46(5)—

Add

“(6) In this section—

registered particulars (註冊詳情), in relation to a registered trade mark—

- (a) means the particulars or matters that are entered in the register under section 67(2); and
- (b) without limiting paragraph (a), includes—
 - (i) a statement that claims a colour or a 3-dimensional shape as the trade mark or an element of the trade mark;
 - (ii) a statement that the trade mark consists wholly or partly of a sound or smell; and
 - (iii) a disclaimer, limitation or condition that applies to the trade mark.”.

11. Section 57 amended (rectification or correction)

(1) Section 57, heading, after “**correction**”—

Add

“**etc.**”.

(2) Section 57—

Repeal subsection (6)

Substitute

“(6) The Registrar may correct an error or omission in the register if satisfied that the error or omission is attributable to the Registrar.

(6A) The power to correct may be exercised—

- (a) on the Registrar's own initiative; or
 - (b) on application in writing by a person having a sufficient interest.
- (6B) Before making a correction, the Registrar must give notice of the proposed correction to any person the Registrar considers should be notified of the proposed correction.
- (6C) To avoid doubt, the power to correct is exercisable regardless of whether the error or omission may affect the validity of the registration of a trade mark.”.

12. Section 72 substituted

Section 72—

Repeal the section**Substitute****“72. Power to give preliminary advice etc.**

- (1) The Registrar may give advice on the following matters to a person who proposes to apply for the registration of a trade mark—
- (a) without taking section 11(2) into consideration, whether the trade mark is likely to be refused registration on a ground mentioned in section 11;
 - (b) whether the trade mark is likely to be refused registration on a ground mentioned in section 12(1), (2) or (3) because of an existing trade mark.
- (2) A person who wishes to obtain advice on a matter mentioned in subsection (1) must file a request with the Registrar in the prescribed manner.
- (3) The Registrar must give advice to the person—

- (a) on receipt of the request; and
 - (b) on payment of the applicable prescribed fee.
- (4) If there is a ground for refusing registration in respect of only some of the goods or services covered by the request, the advice does not have to specify the goods or services to which the ground applies.
- (5) An applicant for the registration of a trade mark is entitled to a refund of the fees paid for filing the application if—
- (a) the Registrar has given advice under subsection (1) that the trade mark is unlikely to be refused registration on a ground mentioned in section 11 or 12(1), (2) or (3);
 - (b) the applicant makes the application within 3 months after the advice is given;
 - (c) the Registrar, after further investigation or consideration, gives notice to the applicant, stating the Registrar's objection to the registration of the trade mark on any specified ground; and
 - (d) the applicant withdraws the application within the prescribed period.
- (6) However, the applicant is not entitled to a refund if—
- (a) a change occurs after the search date in the particulars entered in the register; and
 - (b) the change results in the Registrar's objection mentioned in subsection (5)(c).
- (7) In this section—
- existing trade mark** (現有商標) means a trade mark that has already been entered in the register as at the search date;

search date (查冊日期) means the date of the search of the register by the Registrar for giving advice under this section;

specified ground (指明理由)—

- (a) in relation to advice that a trade mark is unlikely to be refused registration on a ground mentioned in section 11, means that a ground for refusing registration mentioned in that section applies to the trade mark; or
 - (b) in relation to advice that a trade mark is unlikely to be refused registration on a ground mentioned in section 12(1), (2) or (3), means that a ground for refusing registration mentioned in those provisions (whichever is applicable in a particular case) applies to the trade mark.
- (8) In this section (except in the definition of *existing trade mark* in subsection (7)), a reference to a trade mark does not include a certification mark or a collective mark.”.

13. Part XA added

After Part X—

Add

“Part XA

International Registration of Trade Marks under Madrid Protocol

Division 1—General

90A. Interpretation of Part XA

(1) In this Part—

basic application (基礎申請) means an application filed under section 38 and on the basis of which an international application is made;

basic registration (基礎註冊) means a registration under section 47 and on the basis of which an international application is made;

international application (國際申請) means an application made to the International Bureau through the Registry for registration of a trade mark in the International Register.

(2) In this Part, a reference to an application filed under section 38 in the definition of *basic application* in subsection (1) includes a reference to an application for registration of a mark dealt with under section 10(1) of Schedule 5.

90B. Rules for implementing Madrid Protocol

(1) The Registrar may make rules to give effect in Hong Kong to the provisions of the Madrid Protocol.

(2) Without limiting subsection (1), rules made under this Part may provide for the application of any provision in

this Ordinance to the extent and in the way specified in the rules in relation to—

- (a) an international application;
 - (b) an international designation (HK); or
 - (c) a protected international trade mark (HK).
- (3) Sections 90C, 90D and 90E do not limit the Registrar's powers under subsection (1).

Division 2—International Registration of Trade Marks

90C. Rules for international application

The Registrar may make rules to provide for—

- (a) matters relating to an international application (including the procedure for making or dealing with the application);
- (b) the procedure to be followed when—
 - (i) a basic application fails, or is divided or merged; and
 - (ii) a basic registration ceases to be in force, or is merged; and
- (c) the communication of information to the International Bureau.

90D. Rules for international designation (HK) and protected international trade mark (HK)

- (1) The Registrar may make rules to provide for matters relating to an international designation (HK) and a protected international trade mark (HK).

- (2) Without limiting subsection (1), the rules may provide for the following matters—
- (a) the procedure for dealing with an international designation (HK), including—
 - (i) the examination of the designation by the Registrar;
 - (ii) the publication of the particulars of the designation in the official journal;
 - (iii) the conduct of proceedings for opposing the conferring of protection on the designation; and
 - (iv) the amendment, division or merger of the designation;
 - (b) the communication of information to the International Bureau (including information relating to the Registrar's examination of an international designation (HK));
 - (c) the possible effects of correcting an international registration on an international designation (HK) or a protected international trade mark (HK);
 - (d) the protection conferred on a protected international trade mark (HK) and the circumstances in which protection is conferred (including any change in those circumstances);
 - (e) the circumstances in which the protection ceases and the procedure to be followed in cases of cessation;
 - (f) the keeping of a register that contains matters relating to international designations (HK) and protected international trade marks (HK);

- (g) the correction, amendment or removal of any information in the register;
- (h) the transformation of an international designation (HK), or a protected international trade mark (HK), into an application for registration of the trade mark in Hong Kong;
- (i) the treatment of a protected international trade mark (HK) that is concurrent with a registered trade mark under Article 4*bis*(1) of the Madrid Protocol;
- (j) any matter incidental to or necessary to give effect to a matter mentioned in this section.

Division 3—Miscellaneous

90E. Rules for other matters

The Registrar may make rules to provide for—

- (a) matters relating to payments to the Registry in relation to an international application, an international designation (HK) and a protected international trade mark (HK), including fees and charges;
- (b) the requirements in respect of the documents or other information to be filed with, or served on, the Registrar;
- (c) the rectification by the Registrar of irregularities in the procedure;
- (d) the Registrar's power to—
 - (i) extend any time limit prescribed by the rules;
 - (ii) order security for costs; and

- (iii) tax costs;
- (e) the inspection of a document and the supply of copies of a document;
- (f) the publication of a notice, order or any other document or matter (whether or not it is required by the rules to be published in the official journal); and
- (g) the record keeping and disposal arrangements of the Registry.”.

14. Section 91 heading amended (rules)

Section 91, heading, after “**Rules**”—

Add

“for general purposes”.

15. Part XIIA added

After Part XII—

Add

“Part XIIA

Enforcement

Division 1—Interpretation

96A. Interpretation of Part XIIA

In this Part—

Commissioner (關長) means the Commissioner of Customs and Excise and includes any Deputy or Assistant Commissioner of Customs and Excise;

court (法院) means a court of competent jurisdiction of the Hong Kong Special Administrative Region and includes a magistrate;

document (文件) includes information recorded in any form;

enforcement officer (執法人員) means—

- (a) a member of the Customs and Excise Service established by section 3 of the Customs and Excise Service Ordinance (Cap. 342); or
- (b) an officer appointed under section 96B(1);

forfeitable item (可予沒收物件) means anything in respect of which an offence under this Ordinance has been committed;

forfeiture application (沒收申請) means an application to the court for an order set out in section 96G(3);

proceeds application (收益申請) means an application to the court for an order set out in section 96H(6);

sale application (售賣申請), in relation to a forfeitable item, means an application to the court for an order set out in section 96H(4);

specified evidence (指明證據) means anything that is or that contains, or that is likely to be, or to contain, evidence of an offence under this Ordinance;

specified recipient (指明收受者), in relation to a forfeitable item, means a person who appears to the Commissioner to be the owner of the item, one of its owners or an owner's authorized agent.

Division 2—Investigation

96B. Appointment of enforcement officers

- (1) The Commissioner may appoint in writing a public officer as an enforcement officer for the purposes of this Ordinance.
- (2) When exercising a power under this Part, an enforcement officer must produce evidence of the officer's identity.

96C. Power to investigate etc.

- (1) If an enforcement officer reasonably suspects an offence under this Ordinance has been or is being committed, the officer may do all or any of the following things for the purposes of conducting an investigation—
 - (a) subject to section 96D, enter and search any place;
 - (b) stop, board and search any conveyance that the officer reasonably suspects contains anything that appears to the officer to be specified evidence;
 - (c) make any inquiry that the officer reasonably requires for the investigation;
 - (d) inspect, examine, search, seize, remove or detain anything that appears to the officer to be specified evidence;
 - (e) require a specified person to provide the officer with any information, document or any other thing that the officer reasonably believes to be relevant to the investigation;
 - (f) require a specified person to give the officer all other assistance that the officer reasonably requires for the investigation.

- (2) In this section—
- specified person* (指明人士), in relation to an offence that an enforcement officer reasonably suspects has been or is being committed, means—
- (a) a person who has or may have possession or control of any information, document or any other thing relevant to the investigation of the offence; or
 - (b) a person who may otherwise be able to assist the officer in relation to the investigation of the offence.

96D. Warrant to enter and search etc.

- (1) Subject to subsection (5), an enforcement officer may only enter and search any place under the authority of a warrant issued under subsection (2).
- (2) A magistrate may issue a warrant authorizing an enforcement officer to enter and search any place if the magistrate is satisfied by information on oath that there is reasonable ground for suspecting that any specified evidence is in the place.
- (3) If a warrant has been issued under subsection (2), an enforcement officer must produce the warrant when exercising a power under this section.
- (4) A warrant issued under subsection (2) authorizes the enforcement officer to—
 - (a) forcibly enter and search the place;
 - (b) inspect, examine, search, seize, remove and detain anything in the place that appears to the officer to be specified evidence; and
 - (c) detain any person found in the place until the place has been searched.

- (5) The Commissioner may authorize an enforcement officer to exercise the power under subsection (1) without a warrant if—
 - (a) there is reasonable ground for suspecting that any specified evidence is in the place; and
 - (b) either—
 - (i) the delay necessary to obtain a warrant is likely to result in the loss or destruction of evidence; or
 - (ii) for any other reason it would not be reasonably practicable to obtain a warrant.

Division 3—Arrest, Offences and Forfeiture

96E. Power to arrest etc.

- (1) If an enforcement officer reasonably suspects that a person has committed an offence under this Ordinance, the officer may stop, search, arrest and detain the person without a warrant.
- (2) If any person resists or attempts to evade the search, arrest or detention, an enforcement officer may use any force that is reasonably necessary to effect the search, arrest or detention.
- (3) An enforcement officer who arrests a person may—
 - (a) search the person and the vicinity of the arrest for anything that the officer reasonably suspects is of value (whether by itself or together with anything else) to the investigation of the offence; and
 - (b) search and take possession of the thing.

96F. Offences relating to investigation etc.

- (1) A person commits an offence if the person—
 - (a) in purported compliance with a requirement under section 96C(1)(e), provides any information or document that is false or misleading in a material particular; and
 - (b) knows that, or is reckless as to whether, the information or document is false or misleading in a material particular.
- (2) A person commits an offence if the person—
 - (a) obstructs the enforcement officer in the exercise of the officer's powers or in the performance of the officer's duties under this Part; or
 - (b) fails to comply with a requirement under section 96C(1)(e) or (f).
- (3) A person who commits an offence under subsection (1) or (2) is liable on conviction to a fine at level 3 and to imprisonment for 6 months.
- (4) It is a defence for a person charged with an offence under subsection (2)(b) if the person establishes that at the time of the alleged offence, the person had a reasonable excuse for failing to provide the information or document, or to give the assistance (as the case may be).
- (5) A person charged with an offence under this Part is taken to have established a matter that needs to be established for a defence under this Part if—
 - (a) there is sufficient evidence to raise an issue with respect to that matter; and

- (b) the contrary is not proved by the prosecution beyond reasonable doubt.

96G. General provision on disposal of things

- (1) The Commissioner may, subject to any conditions the Commissioner considers appropriate and specifies in writing, release a forfeitable item or any other thing seized, removed or detained under this Part to a specified recipient.
- (2) Alternatively, the Commissioner may make a forfeiture application in relation to a forfeitable item.
- (3) On hearing a forfeiture application and being satisfied of compliance with section 96I(1), the court may order that the forfeitable item—
 - (a) be forfeited to the Government;
 - (b) be destroyed; or
 - (c) subject to any condition that the court specifies in the order—
 - (i) be released to its owner, one of its owners or an owner's authorized agent; or
 - (ii) be dealt with in any other way.
- (4) A forfeitable item is liable to forfeiture, destruction or other disposal, whether or not any person has been charged for the offence concerned.

96H. Provision on perishable things

- (1) Without limiting section 96G, this section applies if the Commissioner is of the opinion that a forfeitable item is, by its nature—
 - (a) perishable;

- (b) difficult to store; or
 - (c) likely to deteriorate before the conclusion of any proceedings relating to it.
- (2) The Commissioner may release the forfeitable item to a specified recipient if the recipient pays the Commissioner by way of security an amount not less than the value of the item as assessed by the Commissioner or an enforcement officer.
- (3) Alternatively, the Commissioner may—
- (a) if the Commissioner considers the forfeitable item is perishable, order that it—
 - (i) be sold and the sale proceeds be retained by the Commissioner; or
 - (ii) be destroyed; or
 - (b) if the Commissioner considers the forfeitable item is difficult to store or likely to deteriorate before the conclusion of any proceedings relating to it— make a sale application.
- (4) On hearing a sale application and being satisfied of compliance with section 96I(1), the court may order that the forfeitable item be sold and the sale proceeds be retained by the Commissioner.
- (5) Also, the Commissioner may make a proceeds application.
- (6) On hearing a proceeds application, the court may—
- (a) order the payment made to the Commissioner under subsection (2) to be—
 - (i) forfeited to the Government; or

- (ii) paid to the person giving the security or the person entitled to claim the payment or the forfeitable item; and
- (b) order the sale proceeds retained by the Commissioner under subsection (3)(a)(i) or by order under subsection (4) to be—
- (i) forfeited to the Government; or
 - (ii) paid to the person entitled to claim the proceeds or the forfeitable item.

96I. Notification requirement for certain intended applications

- (1) The Commissioner must notify the owner of a forfeitable item or the owner's authorized agent that the Commissioner intends to make a forfeiture application or sale application if—
- (a) the application is to be made otherwise than in any proceedings for an offence under this Ordinance; and
 - (b) the owner of the item can be found.
- (2) If there is more than one owner of the forfeitable item, it is sufficient to give notice to one of the owners or an owner's authorized agent.

Division 4—Miscellaneous

96J. International co-operation

The Commissioner may, for the purpose of promoting international co-operation in the protection of intellectual property rights, disclose any information obtained under this Part to any authority that is responsible for the enforcement of those rights in—

- (a) a Paris Convention country;
- (b) a WTO member; or
- (c) any other country, territory or area as the Commissioner considers appropriate.

96K. Delegation

The Commissioner may, in writing, delegate to a public officer any of his or her functions or powers under this Part.

96L. Immunity from civil liability

- (1) Neither the Commissioner nor an enforcement officer is civilly liable for an act done or omitted to be done by him or her in good faith in—
 - (a) performing or purportedly performing a function conferred on him or her by this Part; or
 - (b) exercising or purportedly exercising a power conferred on him or her by this Part.
- (2) Subsection (1) does not affect any liability of the Government for the act or omission.”.

16. Section 100 added

Before Schedule 1—

Add

“100. Transitional and savings provisions for Trade Marks (Amendment) Ordinance 2019

Schedule 7 sets out transitional and savings provisions that have effect for the purposes of the amendments made to this Ordinance by the Trade Marks (Amendment) Ordinance 2019 (of 2019).”.

17. Schedule 5 amended (transitional matters)

Schedule 5—

Repeal

“[s.”

Substitute

“[ss. 90A &”.

18. Schedule 7 added

At the end of the Ordinance—

Add

“Schedule 7

[s. 100]

Transitional and Savings Provisions for Trade Marks (Amendment) Ordinance 2019**1. Interpretation**

In this Schedule—

Amendment Ordinance (《修訂條例》) means the Trade Marks (Amendment) Ordinance 2019 (of 2019);

commencement date (生效日期) means the date on which the Amendment Ordinance is published in the Gazette;

pre-amended Ordinance (《修訂前的條例》) means this Ordinance as in force immediately before the commencement date;

pre-amended Rules (《修訂前的規則》) means the Trade Marks Rules (Cap. 559 sub. leg. A) as in force immediately before the commencement date.

2. Applications for registration filed under section 38 of pre-amended Ordinance

- (1) If an application for registration of a trade mark has been filed before the commencement date under section 38(1) of the pre-amended Ordinance (*old application*), but is still pending on that date, the pre-amended Ordinance and the pre-amended Rules continue to apply in relation to that application.
- (2) However, if, on or after the commencement date, a request to amend an old application under section 46 is filed, the provisions of this Ordinance apply in relation to the request.”

Part 3

Amendments to Trade Marks Rules (Cap. 559 sub. leg. A)

19. Rule 11 amended (deficiencies in application)

- (1) Rule 11(2)(a)—

Repeal

“section 38(1), (2)(e), (3), (4) or (5)”

Substitute

“section 38(1), (2)(a)(iii) or (vi) or (b)(v), (3) or (4)”.

- (2) Rule 11(2)(b)—

Repeal

“section 38(2)(a), (b), (c) or (d)”

Substitute

“section 38(2)(a)(i), (ii), (iv) or (v) or (b)(i), (ii), (iii) or (iv) or (5)”.

20. Rule 29 amended (registration)

After rule 29(1)(d)—

Add

“(da) for an owner that is a corporation—the place under the law of which the corporation was formed and registered, incorporated or established;”.

21. Rule 63 amended (entry in the register of particulars of registrable transaction)

- (1) Rule 63(1)(a)(i)—

Repeal

“; and”

Substitute a semicolon.

- (2) After rule 63(1)(a)(i)—

Add

“(ia) for an assignee that is a corporation—the place under the law of which the corporation was formed and registered, incorporated or established; and”.

- (3) After rule 63(1)(b)(i)—

Add

“(ia) for an assignee that is a corporation—the place under the law of which the corporation was formed and registered, incorporated or established;”.

- (4) Rule 63(1)(e)(i)—

Repeal

“; and”

Substitute a semicolon.

- (5) After rule 63(1)(e)(i)—

Add

“(ia) for a person mentioned in subparagraph (i) that is a corporation—the place under the law of which the corporation was formed and registered, incorporated or established; and”.

- (6) After rule 63(1)(f)(i)—

Add

“(ia) for a transferee that is a corporation—the place under the law of which the corporation was formed and registered, incorporated or established;”.

22. Rule 66 amended (correction of errors or omissions in the register)

- (1) Rule 66—

Repeal subrule (1).

- (2) Rule 66(2)—

Repeal

“subrule (1)”

Substitute

“section 57(6B) of the Ordinance”.

- (3) Rule 66—

Repeal subrule (3)**Substitute**

“(3) If any person to whom a notice is sent under section 57(6B) of the Ordinance files written objections within the period specified in subrule (2), the Registrar must consider the objections and—

- (a) if satisfied that the objections have merit—not make the proposed correction; or
- (b) if satisfied that the objections have no merit—make the proposed correction.”.

23. Rules 72 and 73 repealed

Rules 72 and 73—

Repeal the rules.**24. Rule 73A added**

At the end of Part 10—

Add

“73A. Preliminary advice by Registrar

(s. 72 of the Ordinance) (Form T1) (Fee Nos. 24, 25 & 25A)

- (1) A request filed under section 72(2) of the Ordinance must be in the specified form.
- (2) The request must—
 - (a) include a representation of the trade mark that is proposed to be registered; and
 - (b) specify the goods or services (classified in accordance with the International Classification) for which the trade mark is proposed to be registered.
- (3) The period prescribed for the purposes of section 72(5)(d) of the Ordinance is the 6-month period beginning on the day after the date on which the Registrar gives a notice of objection under section 72(5)(c) of the Ordinance.”.

25. Rule 95 amended (non-extendible time limits)

- (1) Rule 95, English text, heading—

Repeal

“Non-extendible”

Substitute

“Non-extendable”.

- (2) Rule 95(1)—

Repeal paragraph (q)**Substitute**

“(q) rule 73A(3) (time limit for the purposes of section 72(5)(d) of the Ordinance);”.

26. Schedule amended (fees)

- (1) The Schedule, Fee No. 24—

Repeal

“search of records under rule 72”

Substitute

“Registrar’s advice on the matter referred to in section 72(1)(a) of the Ordinance”.

- (2) The Schedule, Fee No. 24—

Repeal

“preliminary advice under rule 73”

Substitute

“advice on the matter referred to in section 72(1)(b) of the Ordinance”.

- (3) The Schedule, Fee No. 25—

Repeal

“preliminary advice under rule 73”

Substitute

“advice on the matter referred to in section 72(1)(b) of the Ordinance”.

- (4) The Schedule, Fee No. 25—

Repeal

“search of records under rule 72”

Substitute

“Registrar’s advice on the matter referred to in section 72(1)(a) of the Ordinance”.

- (5) The Schedule, Fee No. 25A—

Repeal

“search of records under rule 72 and for Registrar’s preliminary advice under rule 73”

Substitute

“Registrar’s advice on the matters referred to in section 72(1)(a) and (b) of the Ordinance”.

Part 4

Consequential Amendments to Trade Descriptions Ordinance (Cap. 362)

27. Section 2 amended (interpretation)

(1) Section 2(1), definition of *trade mark*—

Repeal

“means—”

Substitute

“means any of the following—”.

(2) Section 2(1), Chinese text, definition of 商標, paragraph (a)—

Repeal

“指”.

(3) Section 2(1), Chinese text, definition of 商標, paragraphs (b), (c) and (d)—

Repeal

“亦指”.

(4) Section 2(1), definition of *trade mark*, after paragraph (d)—

Add

“(e) a protected international trade mark (HK) as defined by section 2(1) of the Trade Marks Ordinance (Cap. 559);”.

Explanatory Memorandum

The main purposes of this Bill are to amend the Trade Marks Ordinance (Cap. 559) (*Ordinance*) to provide for the implementation of an international registration system of trade marks (*Madrid system*), to enhance the mechanism for registering trade marks, and to provide for enforcement matters.

2. The Bill is divided into 4 Parts.
3. Clause 1 sets out the short title and provides for commencement.

Madrid Protocol and System for International Registration of Trade Marks

4. The proposed legislation for implementing the Madrid system seeks to give effect in Hong Kong to the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (*Madrid Protocol*).
5. The Madrid system has been established to facilitate the registration and management of trade marks in the contracting parties to the Madrid Protocol. The Madrid system is administered by the International Bureau of the World Intellectual Property Organization (*International Bureau*).
6. In accordance with the Madrid system, an international application in respect of a trade mark may be filed through the Trade Marks Registry in the Intellectual Property Department (*Registry*). The Registry acts as an office of origin for registering trade marks in the register maintained by the International Bureau (*International Register*). Also, the Registry may, as a designated office, receive from the International Bureau requests for extending the protection of a trade mark registered in the International Register to Hong Kong (*international designation (HK)*).

Amendments to Ordinance for International Registration of Trade Marks

7. Clause 3 amends the long title of the Ordinance. Clause 5 amends section 5 of the Ordinance so that after the Madrid system is implemented in Hong Kong, an international trade mark (HK) may also be an earlier trade mark in relation to another trade mark. Clause 13 adds a new Part XA to the Ordinance to empower the Registrar of Trade Marks (*Registrar*) to make rules to implement the Madrid system.
8. Division 1 (new sections 90A and 90B) of the new Part XA defines terms for the interpretation of that Part and empowers the Registrar to make rules to give effect in Hong Kong to the provisions of the Madrid Protocol.
9. Division 2 (new sections 90C and 90D) of the new Part XA empowers the Registrar to make rules to deal with international applications and international designations (HK).
10. Division 3 (new section 90E) of the new Part XA contains enabling provisions for other matters relating to the implementation of the Madrid system.

Enhancing Mechanism for Registering Trade Marks

11. Section 38 of the Ordinance states the particulars that must be included in an application for registration of a trade mark. Clause 8 amends that section to require a corporate applicant to provide information as to its place of incorporation (or its equivalent). Clauses 19, 20 and 21 make related amendments to the Trade Marks Rules (Cap. 559 sub. leg. A) (*Rules*). Clause 4 makes technical amendments to the definition of *corporation* to bring it into line with definitions in recent legislation.
12. To enhance fairness of the registration system of trade marks, clause 9 amends section 39 of the Ordinance to require application

fees to be paid before an application for registration of a trade mark is given a filing date.

13. 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. One of the conditions is that the application is made in respect of any or all of the goods or services for which the registered trade mark is registered.
14. Clause 11 amends section 57 of the Ordinance to make it possible to apply to the Registrar to correct errors or omissions in the register that are attributable to the Registrar. Clause 22 amends rule 66 of the Rules to provide for the related procedures.
15. Clause 12 amends section 72 of the Ordinance to allow the Registrar to give preliminary advice as to whether a prospective application for registration of a trade mark is likely to be refused on a ground specified in that section. The amended section 72 also clarifies when an applicant can be refunded the application fee of an application to register a trade mark. Clause 23 repeals rules 72 and 73 of the Rules and clause 24 adds a new rule 73A to the Rules to set out the requirements for a request for the advice. Clauses 25 and 26 make related amendments to the Rules.

Technical Amendments

16. Section 12(4) of the Ordinance currently provides that a trade mark identical or similar to an earlier trade mark (that is entitled to protection under the Paris Convention as a well-known trade mark) must not be registered if certain conditions exist. Clause 6 amends that section so that the Registrar, when determining whether a trade mark is registrable, does not have to consider whether the goods or services for which the trade mark is proposed to be registered are identical or similar to those for which the earlier trade mark is protected.

17. Clause 7 makes a similar amendment to section 18(4)(a) of the Ordinance, which explains when a registered trade mark is infringed. Under the amended section 18(4)(a), in determining whether a person who uses a sign infringes a registered trade mark (that is entitled to protection under the Paris Convention as a well-known trade mark), it is irrelevant whether the goods or services relating to the sign are identical or similar to those for which the well-known trade mark is registered.

Enforcement Powers

18. Clause 15 adds a new Part XIIA to the Ordinance to provide for enforcement powers in relation to the offences under the Ordinance.
19. Division 1 (new section 96A) of the new Part XIIA defines terms for the interpretation of that Part.
20. Division 2 (new sections 96B, 96C and 96D) of the new Part XIIA provides for the appointment of enforcement officers by the Commissioner of Customs and Excise (*Commissioner*) and their powers of investigation.
21. Division 3 (new sections 96E to 96I) of the new Part XIIA covers the enforcement officers' powers of arrest and provides for the forfeiture of items seized in exercising powers under that Part. It also contains offence provisions regarding non-compliance with enforcement officers' requirements during investigation.
22. Division 4 (new sections 96J, 96K and 96L) of the new Part XIIA deals with miscellaneous matters, such as the Commissioner's co-operation with authorities outside Hong Kong and the delegation of powers by the Commissioner.
23. Clauses 16 and 18 add a new Schedule 7 to the Ordinance setting out transitional provisions relating to the amendments in the Bill.
24. Clause 27 makes consequential amendments to the Trade Descriptions Ordinance (Cap. 362).

**PROTOCOL RELATING TO THE MADRID AGREEMENT CONCERNING THE
INTERNATIONAL REGISTRATION OF MARKS**

Adopted at Madrid on June 27, 1989,
as amended on October 3, 2006,
and on November 12, 2007

List of the Articles of the Protocol

- Article 1: Membership in the Madrid Union
- Article 2: Securing Protection through International Registration
- Article 3: International Application
- Article *3bis*: Territorial Effect
- Article *3ter*: Request for “Territorial Extension”
- Article 4: Effects of International Registration
- Article *4bis*: Replacement of a National or Regional Registration by an International Registration
- Article 5: Refusal and Invalidation of Effects of International Registration in Respect of Certain Contracting Parties
- Article *5bis*: Documentary Evidence of Legitimacy of Use of Certain Elements of the Mark
- Article *5ter*: Copies of Entries in International Register; Searches for Anticipations; Extracts from International Register
- Article 6: Period of Validity of International Registration; Dependence and Independence of International Registration
- Article 7: Renewal of International Registration
- Article 8: Fees for International Application and Registration
- Article 9: Recordal of Change in the Ownership of an International Registration
- Article *9bis*: Recordal of Certain Matters Concerning an International Registration
- Article *9ter*: Fees for Certain Recordals

- Article 9*quater*: Common Office of Several Contracting States
- Article 9*quinquies*: Transformation of an International Registration into National or Regional Applications
- Article 9*sexies*: Relations Between States Party to both this Protocol and the Madrid (Stockholm) Agreement
- Article 10: Assembly
- Article 11: International Bureau
- Article 12: Finances
- Article 13: Amendment of Certain Articles of the Protocol
- Article 14: Becoming Party to the Protocol; Entry into Force
- Article 15: Denunciation
- Article 16: Signature; Languages; Depositary Functions

Article 1

Membership in the Madrid Union

The States party to this Protocol (hereinafter referred to as “the Contracting States”), even where they are not party to the Madrid Agreement Concerning the International Registration of Marks as revised at Stockholm in 1967 and as amended in 1979 (hereinafter referred to as “the Madrid (Stockholm) Agreement”), and the organizations referred to in Article 14(1)(b) which are party to this Protocol (hereinafter referred to as “the Contracting Organizations”) shall be members of the same Union of which countries party to the Madrid (Stockholm) Agreement are members. Any reference in this Protocol to “Contracting Parties” shall be construed as a reference to both Contracting States and Contracting Organizations.

Article 2

Securing Protection through International Registration

(1) Where an application for the registration of a mark has been filed with the Office of a Contracting Party, or where a mark has been registered in the register of the Office of a Contracting Party, the person in whose name that application (hereinafter referred to as “the basic application”) or that registration (hereinafter referred to as “the basic registration”) stands may, subject to the provisions of this Protocol, secure protection for his mark in the territory of the Contracting Parties, by obtaining the registration of that mark in the register of the International Bureau of the World Intellectual Property Organization (hereinafter referred to as “the international registration,” “the International Register,” “the International Bureau” and “the Organization,” respectively), provided that,

(i) where the basic application has been filed with the Office of a Contracting State or where the basic registration has been made by such an Office, the person in whose name that application or registration stands is a national of that Contracting State, or is domiciled, or has a real and effective industrial or commercial establishment, in the said Contracting State,

(ii) where the basic application has been filed with the Office of a Contracting Organization or where the basic registration has been made by such an Office, the person in whose name that application or registration stands is a national of a State member of that Contracting Organization, or is domiciled, or has a real and effective industrial or commercial establishment, in the territory of the said Contracting Organization.

(2) The application for international registration (hereinafter referred to as “the international application”) shall be filed with the International Bureau through the intermediary of the Office with which the basic application was filed or by which the basic registration was made (hereinafter referred to as “the Office of origin”), as the case may be.

(3) Any reference in this Protocol to an “Office” or an “Office of a Contracting Party” shall be construed as a reference to the office that is in charge, on behalf of a Contracting Party, of the registration of marks, and any reference in this Protocol to “marks” shall be construed as a reference to trademarks and service marks.

(4) For the purposes of this Protocol, “territory of a Contracting Party” means, where the Contracting Party is a State, the territory of that State and, where the Contracting Party is an intergovernmental organization, the territory in which the constituting treaty of that intergovernmental organization applies.

Article 3

International Application

(1) Every international application under this Protocol shall be presented on the form prescribed by the Regulations. The Office of origin shall certify that the particulars appearing in the international application correspond to the particulars appearing, at the time of the certification, in the basic application or basic registration, as the case may be. Furthermore, the said Office shall indicate,

- (i) in the case of a basic application, the date and number of that application,
- (ii) in the case of a basic registration, the date and number of that registration as well as the date and number of the application from which the basic registration resulted.

The Office of origin shall also indicate the date of the international application.

(2) The applicant must indicate the goods and services in respect of which protection of the mark is claimed and also, if possible, the corresponding class or classes according to the classification established by the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks. If the applicant does not give such indication, the International Bureau shall classify the goods and services in the appropriate classes of the said classification. The indication of classes given by the applicant shall be subject to control by the International Bureau, which shall exercise the said control in association with the Office of origin. In the event of disagreement between the said Office and the International Bureau, the opinion of the latter shall prevail.

- (3) If the applicant claims color as a distinctive feature of his mark, he shall be required
- (i) to state the fact, and to file with his international application a notice specifying the color or the combination of colors claimed;
 - (ii) to append to his international application copies in color of the said mark, which shall be attached to the notifications given by the International Bureau; the number of such copies shall be fixed by the Regulations.

(4) The International Bureau shall register immediately the marks filed in accordance with Article 2. The international registration shall bear the date on which the international application was received in the Office of origin, provided that the international application has been received by the International Bureau within a period of two months from that date. If the international application has not been received within that period, the international registration shall bear the date on which the said international application was received by the International Bureau. The International Bureau shall notify the international registration without delay to the Offices concerned. Marks registered in the International Register shall be published in a periodical gazette issued by the International Bureau, on the basis of the particulars contained in the international application.

(5) With a view to the publicity to be given to marks registered in the International Register, each Office shall receive from the International Bureau a number of copies of the said gazette free of charge and a number of copies at a reduced price, under the conditions fixed by the Assembly referred to in Article 10 (hereinafter referred to as “the Assembly”). Such publicity shall be deemed to be sufficient for the purposes of all the Contracting Parties, and no other publicity may be required of the holder of the international registration.

Article 3bis

Territorial Effect

The protection resulting from the international registration shall extend to any Contracting Party only at the request of the person who files the international application or who is the holder of the international registration. However, no such request can be made with respect to the Contracting Party whose Office is the Office of origin.

Article 3ter

Request for “Territorial Extension”

(1) Any request for extension of the protection resulting from the international registration to any Contracting Party shall be specially mentioned in the international application.

(2) A request for territorial extension may also be made subsequently to the international registration. Any such request shall be presented on the form prescribed by the Regulations. It shall be immediately recorded by the International Bureau, which shall notify such recordal without delay to the Office or Offices concerned. Such recordal shall be published in the periodical gazette of the International Bureau. Such territorial extension shall be effective from the date on which it has been recorded in the International Register; it shall cease to be valid on the expiry of the international registration to which it relates.

Article 4

Effects of International Registration

(1) (a) From the date of the registration or recordal effected in accordance with the provisions of Articles 3 and *3ter*, the protection of the mark in each of the Contracting Parties concerned shall be the same as if the mark had been deposited direct with the Office of that Contracting Party. If no refusal has been notified to the International Bureau in accordance with Article 5(1) and (2) or if a refusal notified in accordance with the said Article has been withdrawn subsequently, the protection of the mark in the Contracting Party concerned shall, as from the said date, be the same as if the mark had been registered by the Office of that Contracting Party.

(b) The indication of classes of goods and services provided for in Article 3 shall not bind the Contracting Parties with regard to the determination of the scope of the protection of the mark.

(2) Every international registration shall enjoy the right of priority provided for by Article 4 of the Paris Convention for the Protection of Industrial Property, without it being necessary to comply with the formalities prescribed in Section D of that Article.

Article 4bis

Replacement of a National or Regional Registration by an International Registration

(1) Where a mark that is the subject of a national or regional registration in the Office of a Contracting Party is also the subject of an international registration and both registrations stand in the name of the same person, the international registration is deemed to replace the national or regional registration, without prejudice to any rights acquired by virtue of the latter, provided that

(i) the protection resulting from the international registration extends to the said Contracting Party under Article *3ter*(1) or (2),

(ii) all the goods and services listed in the national or regional registration are also listed in the international registration in respect of the said Contracting Party,

(iii) such extension takes effect after the date of the national or regional registration.

(2) The Office referred to in paragraph (1) shall, upon request, be required to take note in its register of the international registration.

Article 5

Refusal and Invalidation of Effects of International Registration in Respect of Certain Contracting Parties

(1) Where the applicable legislation so authorizes, any Office of a Contracting Party which has been notified by the International Bureau of an extension to that Contracting Party, under Article 3^{ter}(1) or (2), of the protection resulting from the international registration shall have the right to declare in a notification of refusal that protection cannot be granted in the said Contracting Party to the mark which is the subject of such extension. Any such refusal can be based only on the grounds which would apply, under the Paris Convention for the Protection of Industrial Property, in the case of a mark deposited direct with the Office which notifies the refusal. However, protection may not be refused, even partially, by reason only that the applicable legislation would permit registration only in a limited number of classes or for a limited number of goods or services.

(2) (a) Any Office wishing to exercise such right shall notify its refusal to the International Bureau, together with a statement of all grounds, within the period prescribed by the law applicable to that Office and at the latest, subject to subparagraphs (b) and (c), before the expiry of one year from the date on which the notification of the extension referred to in paragraph (1) has been sent to that Office by the International Bureau.

(b) Notwithstanding subparagraph (a), any Contracting Party may declare that, for international registrations made under this Protocol, the time limit of one year referred to in subparagraph (a) is replaced by 18 months.

(c) Such declaration may also specify that, when a refusal of protection may result from an opposition to the granting of protection, such refusal may be notified by the Office of the said Contracting Party to the International Bureau after the expiry of the 18-month time limit. Such an Office may, with respect to any given international registration, notify a refusal of protection after the expiry of the 18-month time limit, but only if

(i) it has, before the expiry of the 18-month time limit, informed the International Bureau of the possibility that oppositions may be filed after the expiry of the 18-month time limit, and

(ii) the notification of the refusal based on an opposition is made within a time limit of one month from the expiry of the opposition period and, in any case, not later than seven months from the date on which the opposition period begins.

(d) Any declaration under subparagraphs (b) or (c) may be made in the instruments referred to in Article 14(2), and the effective date of the declaration shall be the same as the date of entry into force of this Protocol with respect to the State or intergovernmental organization having made the declaration. Any such declaration may also be made later, in which case the declaration shall have effect three months after its receipt by the Director General of the Organization (hereinafter referred to as “the Director General”), or at any later

date indicated in the declaration, in respect of any international registration whose date is the same as or is later than the effective date of the declaration.

(e) Upon the expiry of a period of ten years from the entry into force of this Protocol, the Assembly shall examine the operation of the system established by subparagraphs (a) to (d). Thereafter, the provisions of the said subparagraphs may be modified by a unanimous decision of the Assembly*.

(3) The International Bureau shall, without delay, transmit one of the copies of the notification of refusal to the holder of the international registration. The said holder shall have the same remedies as if the mark had been deposited by him direct with the Office which has notified its refusal. Where the International Bureau has received information under paragraph (2)(c)(i), it shall, without delay, transmit the said information to the holder of the international registration.

(4) The grounds for refusing a mark shall be communicated by the International Bureau to any interested party who may so request.

(5) Any Office which has not notified, with respect to a given international registration, any provisional or final refusal to the International Bureau in accordance with paragraphs (1) and (2) shall, with respect to that international registration, lose the benefit of the right provided for in paragraph (1).

(6) Invalidation, by the competent authorities of a Contracting Party, of the effects, in the territory of that Contracting Party, of an international registration may not be pronounced without the holder of such international registration having, in good time, been afforded the opportunity of defending his rights. Invalidation shall be notified to the International Bureau.

Article 5bis

Documentary Evidence of Legitimacy of Use of Certain Elements of the Mark

Documentary evidence of the legitimacy of the use of certain elements incorporated in a mark, such as armorial bearings, escutcheons, portraits, honorary distinctions, titles, trade names, names of persons other than the name of the applicant, or other like inscriptions, which might be required by the Offices of the Contracting Parties shall be exempt from any legalization as well as from any certification other than that of the Office of origin.

* Interpretative statement adopted by the Assembly of the Madrid Union:

“Article 5(2)(e) of the Protocol is understood as allowing the Assembly to keep under review the operation of the system established by subparagraphs (a) to (d), it being also understood that any modification of those provisions shall require a unanimous decision of the Assembly.”

Article 5ter

Copies of Entries in International Register; Searches for Anticipations; Extracts from International Register

(1) The International Bureau shall issue to any person applying therefor, upon the payment of a fee fixed by the Regulations, a copy of the entries in the International Register concerning a specific mark.

(2) The International Bureau may also, upon payment, undertake searches for anticipations among marks that are the subject of international registrations.

(3) Extracts from the International Register requested with a view to their production in one of the Contracting Parties shall be exempt from any legalization.

Article 6

Period of Validity of International Registration; Dependence and Independence of International Registration

(1) Registration of a mark at the International Bureau is effected for ten years, with the possibility of renewal under the conditions specified in Article 7.

(2) Upon expiry of a period of five years from the date of the international registration, such registration shall become independent of the basic application or the registration resulting therefrom, or of the basic registration, as the case may be, subject to the following provisions.

(3) The protection resulting from the international registration, whether or not it has been the subject of a transfer, may no longer be invoked if, before the expiry of five years from the date of the international registration, the basic application or the registration resulting therefrom, or the basic registration, as the case may be, has been withdrawn, has lapsed, has been renounced or has been the subject of a final decision of rejection, revocation, cancellation or invalidation, in respect of all or some of the goods and services listed in the international registration. The same applies if

(i) an appeal against a decision refusing the effects of the basic application,

(ii) an action requesting the withdrawal of the basic application or the revocation, cancellation or invalidation of the registration resulting from the basic application or of the basic registration, or

(iii) an opposition to the basic application

results, after the expiry of the five-year period, in a final decision of rejection, revocation, cancellation or invalidation, or ordering the withdrawal, of the basic application, or the

registration resulting therefrom, or the basic registration, as the case may be, provided that such appeal, action or opposition had begun before the expiry of the said period. The same also applies if the basic application is withdrawn, or the registration resulting from the basic application or the basic registration is renounced, after the expiry of the five-year period, provided that, at the time of the withdrawal or renunciation, the said application or registration was the subject of a proceeding referred to in item (i), (ii) or (iii) and that such proceeding had begun before the expiry of the said period.

(4) The Office of origin shall, as prescribed in the Regulations, notify the International Bureau of the facts and decisions relevant under paragraph (3), and the International Bureau shall, as prescribed in the Regulations, notify the interested parties and effect any publication accordingly. The Office of origin shall, where applicable, request the International Bureau to cancel, to the extent applicable, the international registration, and the International Bureau shall proceed accordingly.

Article 7

Renewal of International Registration

(1) Any international registration may be renewed for a period of ten years from the expiry of the preceding period, by the mere payment of the basic fee and, subject to Article 8(7), of the supplementary and complementary fees provided for in Article 8(2).

(2) Renewal may not bring about any change in the international registration in its latest form.

(3) Six months before the expiry of the term of protection, the International Bureau shall, by sending an unofficial notice, remind the holder of the international registration and his representative, if any, of the exact date of expiry.

(4) Subject to the payment of a surcharge fixed by the Regulations, a period of grace of six months shall be allowed for renewal of the international registration.

Article 8

Fees for International Application and Registration

(1) The Office of origin may fix, at its own discretion, and collect, for its own benefit, a fee which it may require from the applicant for international registration or from the holder of the international registration in connection with the filing of the international application or the renewal of the international registration.

(2) Registration of a mark at the International Bureau shall be subject to the advance payment of an international fee which shall, subject to the provisions of paragraph (7)(a), include,

- (i) a basic fee;
- (ii) a supplementary fee for each class of the International Classification, beyond three, into which the goods or services to which the mark is applied will fall;
- (iii) a complementary fee for any request for extension of protection under Article 3*ter*.

(3) However, the supplementary fee specified in paragraph (2)(ii) may, without prejudice to the date of the international registration, be paid within the period fixed by the Regulations if the number of classes of goods or services has been fixed or disputed by the International Bureau. If, upon expiry of the said period, the supplementary fee has not been paid or the list of goods or services has not been reduced to the required extent by the applicant, the international application shall be deemed to have been abandoned.

(4) The annual product of the various receipts from international registration, with the exception of the receipts derived from the fees mentioned in paragraph (2)(ii) and (iii), shall be divided equally among the Contracting Parties by the International Bureau, after deduction of the expenses and charges necessitated by the implementation of this Protocol.

(5) The amounts derived from the supplementary fees provided for in paragraph (2)(ii) shall be divided, at the expiry of each year, among the interested Contracting Parties in proportion to the number of marks for which protection has been applied for in each of them during that year, this number being multiplied, in the case of Contracting Parties which make an examination, by a coefficient which shall be determined by the Regulations.

(6) The amounts derived from the complementary fees provided for in paragraph (2)(iii) shall be divided according to the same rules as those provided for in paragraph (5).

(7) (a) Any Contracting Party may declare that, in connection with each international registration in which it is mentioned under Article 3*ter*, and in connection with the renewal of any such international registration, it wants to receive, instead of a share in the revenue produced by the supplementary and complementary fees, a fee (hereinafter referred to as “the individual fee”) whose amount shall be indicated in the declaration, and can be changed in further declarations, but may not be higher than the equivalent of the amount which the said Contracting Party’s Office would be entitled to receive from an applicant for a ten-year registration, or from the holder of a registration for a ten-year renewal of that registration, of the mark in the register of the said Office, the said amount being diminished by the savings resulting from the international procedure. Where such an individual fee is payable,

- (i) no supplementary fees referred to in paragraph (2)(ii) shall be payable if only Contracting Parties which have made a declaration under this subparagraph are mentioned under Article 3*ter*, and

- (ii) no complementary fee referred to in paragraph (2)(iii) shall be payable in respect of any Contracting Party which has made a declaration under this subparagraph.

(b) Any declaration under subparagraph (a) may be made in the instruments referred to in Article 14(2), and the effective date of the declaration shall be the same as the date of entry into force of this Protocol with respect to the State or intergovernmental organization having made the declaration. Any such declaration may also be made later, in which case the declaration shall have effect three months after its receipt by the Director General, or at any later date indicated in the declaration, in respect of any international registration whose date is the same as or is later than the effective date of the declaration.

Article 9

Recordal of Change in the Ownership of an International Registration

At the request of the person in whose name the international registration stands, or at the request of an interested Office made *ex officio* or at the request of an interested person, the International Bureau shall record in the International Register any change in the ownership of that registration, in respect of all or some of the Contracting Parties in whose territories the said registration has effect and in respect of all or some of the goods and services listed in the registration, provided that the new holder is a person who, under Article 2(1), is entitled to file international applications.

Article 9bis

Recordal of Certain Matters Concerning an International Registration

The International Bureau shall record in the International Register

- (i) any change in the name or address of the holder of the international registration,
- (ii) the appointment of a representative of the holder of the international registration and any other relevant fact concerning such representative,
- (iii) any limitation, in respect of all or some of the Contracting Parties, of the goods and services listed in the international registration,
- (iv) any renunciation, cancellation or invalidation of the international registration in respect of all or some of the Contracting Parties,
- (v) any other relevant fact, identified in the Regulations, concerning the rights in a mark that is the subject of an international registration.

Article 9^{ter}**Fees for Certain Recordals**

Any recordal under Article 9 or under Article 9^{bis} may be subject to the payment of a fee.

Article 9^{quater}**Common Office of Several Contracting States**

(1) If several Contracting States agree to effect the unification of their domestic legislations on marks, they may notify the Director General

(i) that a common Office shall be substituted for the national Office of each of them, and

(ii) that the whole of their respective territories shall be deemed to be a single State for the purposes of the application of all or part of the provisions preceding this Article as well as the provisions of Articles 9^{quinquies} and 9^{sexies}.

(2) Such notification shall not take effect until three months after the date of the communication thereof by the Director General to the other Contracting Parties.

Article 9^{quinquies}**Transformation of an International Registration
into National or Regional Applications**

Where, in the event that the international registration is cancelled at the request of the Office of origin under Article 6(4), in respect of all or some of the goods and services listed in the said registration, the person who was the holder of the international registration files an application for the registration of the same mark with the Office of any of the Contracting Parties in the territory of which the international registration had effect, that application shall be treated as if it had been filed on the date of the international registration according to Article 3(4) or on the date of recordal of the territorial extension according to Article 3^{ter}(2) and, if the international registration enjoyed priority, shall enjoy the same priority, provided that

(i) such application is filed within three months from the date on which the international registration was cancelled,

(ii) the goods and services listed in the application are in fact covered by the list of goods and services contained in the international registration in respect of the Contracting Party concerned, and

(iii) such application complies with all the requirements of the applicable law, including the requirements concerning fees.

Article 9sexies

Relations Between States Party to both this Protocol and the Madrid (Stockholm) Agreement

(1) (a) This Protocol alone shall be applicable as regards the mutual relations of States party to both this Protocol and the Madrid (Stockholm) Agreement.

(b) Notwithstanding subparagraph (a), a declaration made under Article 5(2)(b), Article 5(2)(c) or Article 8(7) of this Protocol, by a State party to both this Protocol and the Madrid (Stockholm) Agreement, shall have no effect in the relations with another State party to both this Protocol and the Madrid (Stockholm) Agreement.

(2) The Assembly shall, after the expiry of a period of three years from September 1, 2008, review the application of paragraph (1)(b) and may, at any time thereafter, either repeal it or restrict its scope, by a three-fourths majority. In the vote of the Assembly, only those States which are party to both the Madrid (Stockholm) Agreement and this Protocol shall have the right to participate.

Article 10

Assembly

(1) (a) The Contracting Parties shall be members of the same Assembly as the countries party to the Madrid (Stockholm) Agreement.

(b) Each Contracting Party shall be represented in that Assembly by one delegate, who may be assisted by alternate delegates, advisors, and experts.

(c) The expenses of each delegation shall be borne by the Contracting Party which has appointed it, except for the travel expenses and the subsistence allowance of one delegate for each Contracting Party, which shall be paid from the funds of the Union.

(2) The Assembly shall, in addition to the functions which it has under the Madrid (Stockholm) Agreement, also

(i) deal with all matters concerning the implementation of this Protocol;

(ii) give directions to the International Bureau concerning the preparation for conferences of revision of this Protocol, due account being taken of any comments made by those countries of the Union which are not party to this Protocol;

(iii) adopt and modify the provisions of the Regulations concerning the implementation of this Protocol;

(iv) perform such other functions as are appropriate under this Protocol.

(3) (a) Each Contracting Party shall have one vote in the Assembly. On matters concerning only countries that are party to the Madrid (Stockholm) Agreement, Contracting Parties that are not party to the said Agreement shall not have the right to vote, whereas, on matters concerning only Contracting Parties, only the latter shall have the right to vote.

(b) One-half of the members of the Assembly which have the right to vote on a given matter shall constitute the quorum for the purposes of the vote on that matter.

(c) Notwithstanding the provisions of subparagraph (b), if, in any session, the number of the members of the Assembly having the right to vote on a given matter which are represented is less than one-half but equal to or more than one-third of the members of the Assembly having the right to vote on that matter, the Assembly may make decisions but, with the exception of decisions concerning its own procedure, all such decisions shall take effect only if the conditions set forth hereinafter are fulfilled. The International Bureau shall communicate the said decisions to the members of the Assembly having the right to vote on the said matter which were not represented and shall invite them to express in writing their vote or abstention within a period of three months from the date of the communication. If, at the expiry of this period, the number of such members having thus expressed their vote or abstention attains the number of the members which was lacking for attaining the quorum in the session itself, such decisions shall take effect provided that at the same time the required majority still obtains.

(d) Subject to the provisions of Articles 5(2)(e), 9*sexies*(2), 12 and 13(2), the decisions of the Assembly shall require two-thirds of the votes cast.

(e) Abstentions shall not be considered as votes.

(f) A delegate may represent, and vote in the name of, one member of the Assembly only.

(4) In addition to meeting in ordinary sessions and extraordinary sessions as provided for by the Madrid (Stockholm) Agreement, the Assembly shall meet in extraordinary session upon convocation by the Director General, at the request of one-fourth of the members of the Assembly having the right to vote on the matters proposed to be included in the agenda of the session. The agenda of such an extraordinary session shall be prepared by the Director General.

Article 11

International Bureau

(1) International registration and related duties, as well as all other administrative tasks, under or concerning this Protocol, shall be performed by the International Bureau.

(2) (a) The International Bureau shall, in accordance with the directions of the Assembly, make the preparations for the conferences of revision of this Protocol.

(b) The International Bureau may consult with intergovernmental and international non-governmental organizations concerning preparations for such conferences of revision.

(c) The Director General and persons designated by him shall take part, without the right to vote, in the discussions at such conferences of revision.

(3) The International Bureau shall carry out any other tasks assigned to it in relation to this Protocol.

Article 12

Finances

As far as Contracting Parties are concerned, the finances of the Union shall be governed by the same provisions as those contained in Article 12 of the Madrid (Stockholm) Agreement, provided that any reference to Article 8 of the said Agreement shall be deemed to be a reference to Article 8 of this Protocol. Furthermore, for the purposes of Article 12(6)(b) of the said Agreement, Contracting Organizations shall, subject to a unanimous decision to the contrary by the Assembly, be considered to belong to contribution class I (one) under the Paris Convention for the Protection of Industrial Property.

Article 13

Amendment of Certain Articles of the Protocol

(1) Proposals for the amendment of Articles 10, 11, 12, and the present Article, may be initiated by any Contracting Party, or by the Director General. Such proposals shall be communicated by the Director General to the Contracting Parties at least six months in advance of their consideration by the Assembly.

(2) Amendments to the Articles referred to in paragraph (1) shall be adopted by the Assembly. Adoption shall require three-fourths of the votes cast, provided that any amendment to Article 10, and to the present paragraph, shall require four-fifths of the votes cast.

(3) Any amendment to the Articles referred to in paragraph (1) shall enter into force one month after written notifications of acceptance, effected in accordance with their respective constitutional processes, have been received by the Director General from three-fourths of those States and intergovernmental organizations which, at the time the amendment was adopted, were members of the Assembly and had the right to vote on the amendment. Any amendment to the said Articles thus accepted shall bind all the States and intergovernmental organizations which are Contracting Parties at the time the amendment enters into force, or which become Contracting Parties at a subsequent date.

Article 14

Becoming Party to the Protocol; Entry into Force

(1) (a) Any State that is a party to the Paris Convention for the Protection of Industrial Property may become party to this Protocol.

(b) Furthermore, any intergovernmental organization may also become party to this Protocol where the following conditions are fulfilled:

(i) at least one of the member States of that organization is a party to the Paris Convention for the Protection of Industrial Property;

(ii) that organization has a regional Office for the purposes of registering marks with effect in the territory of the organization, provided that such Office is not the subject of a notification under Article 9*quater*.

(2) Any State or organization referred to in paragraph (1) may sign this Protocol. Any such State or organization may, if it has signed this Protocol, deposit an instrument of ratification, acceptance or approval of this Protocol or, if it has not signed this Protocol, deposit an instrument of accession to this Protocol.

(3) The instruments referred to in paragraph (2) shall be deposited with the Director General.

(4) (a) This Protocol shall enter into force three months after four instruments of ratification, acceptance, approval or accession have been deposited, provided that at least one of those instruments has been deposited by a country party to the Madrid (Stockholm) Agreement and at least one other of those instruments has been deposited by a State not party to the Madrid (Stockholm) Agreement or by any of the organizations referred to in paragraph (1)(b).

(b) With respect to any other State or organization referred to in paragraph (1), this Protocol shall enter into force three months after the date on which its ratification, acceptance, approval or accession has been notified by the Director General.

(5) Any State or organization referred to in paragraph (1) may, when depositing its instrument of ratification, acceptance or approval of, or accession to, this Protocol, declare that the protection resulting from any international registration effected under this Protocol before the date of entry into force of this Protocol with respect to it cannot be extended to it.

Article 15

Denunciation

(1) This Protocol shall remain in force without limitation as to time.

(2) Any Contracting Party may denounce this Protocol by notification addressed to the Director General.

(3) Denunciation shall take effect one year after the day on which the Director General has received the notification.

(4) The right of denunciation provided for by this Article shall not be exercised by any Contracting Party before the expiry of five years from the date upon which this Protocol entered into force with respect to that Contracting Party.

(5) (a) Where a mark is the subject of an international registration having effect in the denouncing State or intergovernmental organization at the date on which the denunciation becomes effective, the holder of such registration may file an application for the registration of the same mark with the Office of the denouncing State or intergovernmental organization, which shall be treated as if it had been filed on the date of the international registration according to Article 3(4) or on the date of recordal of the territorial extension according to Article 3^{ter}(2) and, if the international registration enjoyed priority, enjoy the same priority, provided that

(i) such application is filed within two years from the date on which the denunciation became effective,

(ii) the goods and services listed in the application are in fact covered by the list of goods and services contained in the international registration in respect of the denouncing State or intergovernmental organization, and

(iii) such application complies with all the requirements of the applicable law, including the requirements concerning fees.

(b) The provisions of subparagraph (a) shall also apply in respect of any mark that is the subject of an international registration having effect in Contracting Parties other than the denouncing State or intergovernmental organization at the date on which denunciation becomes effective and whose holder, because of the denunciation, is no longer entitled to file international applications under Article 2(1).

Article 16

Signature; Languages; Depositary Functions

(1) (a) This Protocol shall be signed in a single copy in the English, French and Spanish languages, and shall be deposited with the Director General when it ceases to be open for signature at Madrid. The texts in the three languages shall be equally authentic.

(b) Official texts of this Protocol shall be established by the Director General, after consultation with the interested governments and organizations, in the Arabic, Chinese, German, Italian, Japanese, Portuguese and Russian languages, and in such other languages as the Assembly may designate.

(2) This Protocol shall remain open for signature at Madrid until December 31, 1989.

(3) The Director General shall transmit two copies, certified by the Government of Spain, of the signed texts of this Protocol to all States and intergovernmental organizations that may become party to this Protocol.

(4) The Director General shall register this Protocol with the Secretariat of the United Nations.

(5) The Director General shall notify all States and international organizations that may become or are party to this Protocol of signatures, deposits of instruments of ratification, acceptance, approval or accession, the entry into force of this Protocol and any amendment thereto, any notification of denunciation and any declaration provided for in this Protocol.

IMPLICATIONS OF THE PROPOSAL

Economic Implications

The application of the Madrid Protocol to Hong Kong will reinforce our image as an international city and a knowledge-based economy. The convenience of obtaining trade mark protection offered by the Madrid System, coupled with our existing world-class infrastructure and business-friendly environment, will further enhance Hong Kong's position as a place of conducting commercial activities or trading in intellectual property-related assets. For local businesses, the application of the Madrid Protocol to Hong Kong should reduce the overall time and costs in obtaining international registration of their trade marks. This will offer incentives for local businesses to reach out to the world market and explore more global business opportunities. Likewise, it will be more cost-effective for overseas companies to protect their trade marks in Hong Kong by means of the Madrid Protocol.

Financial and Civil Service Implications

2. The implementation of the Madrid Protocol in Hong Kong will require additional financial and manpower resources. The Intellectual Property Department ("IPD") will need to set up an information technology infrastructure dedicated for receiving/handling applications and post-registration matters under the Madrid Protocol, and may need to increase its manpower to cope with the intake and processing of international applications and international designations (Hong Kong). Any additional resources required, if necessary, will be sought with justifications in accordance with the established mechanism.

3. IPD will set the fees for the new services according to the "user pays" principle and on a full-cost recovery basis. The fees will aim to recover the costs incurred for processing the applications for international registrations or the renewal of international registrations. The Madrid Protocol will allow the Registry (i.e. as a designated trade mark office receiving an international designation (HK)) to charge the trade mark owner in any contracting party to the Madrid Protocol an "individual fee".¹ We will work out the cost of providing the services and set out our corresponding fee proposals for the approval by the Financial Services and the Treasury Bureau in due course. Revenue arising from the proposed fees cannot be ascertained at this stage. The level of

¹ According to Article 8(7) of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, the "individual fee" may not exceed the fee that a trade mark office charges for domestic trade mark applications after taking into account the savings resulting from the international procedure (http://www.wipo.int/wipolex/en/treaties/text.jsp?file_id=283484).

proposed fees will be set out in the subsidiary legislation to be made under Part XA of the amended TMO and subject to negative vetting by the LegCo.

Sustainability Implications

4. The application of the Madrid Protocol helps provide a more efficient trade mark system that forms part of our intellectual property protection infrastructure that should be conducive to the sustainable development of our economy.