Bills Committee on Trade Marks Bill List of drafting issues raised in submissions to the Bills Committee (Revised as at 26 January 2000)

Clause	Name of	Issues	Administration's
No. 2 & 91(a)	organization LSD	"The Chief Executive in Council may by regulation designate any country as a country which has acceded to the Paris Convention or the World Trade Organization Agreement". What if a country has withdrawn from the Convention? How about using the wordings "The Chief Executive in Council may delete or amend the Schedule the name of the Paris Convention countries" or wordings as in the Patents Ordinance to reflect the Administration's intention accurately?	in Council is empowered to amend regulation. Not necessary to expressly provide in the Bill.
3(1) and 10(1)(b) (see extracts)	Deacons	In clause 3(1), replace the words "capable of distinguishing" with "for the purpose of distinguishing" or even "distinguishing".	TRIPS Agreement, the
		Second response Extend the definition of "trade mark" to signs which are either "capable of distinguishing or which are capable of acquiring distinctiveness through use".	

3(2)	LS	Add "a colour or" before "a combination of colours".	Will propose a CSA to add "a colour".
	INTA	Should add "sound, smell and taste marks" to make matters clearer.	
	LSD	Add "sound, smell and taste" mark to reflect the Administration's intention expressly. It is not clear whether the Chinese term "標誌" can refer to "smell" and "taste".	"sound" and "smell".
4(1)	INTA	Should include a definition of "well-known" mark which is provided in Resolution of WIPO.	international consensus on
	LS	Delete "in Hong Kong".	Do not agree. Hong Kong should maintain a separate intellectual property regime from other parts of China. "Well-known" should be judged to "well-known" in Hong Kong.
4(1)(c)	LSD	Use "有效的工業機構" instead of "實際的工業機構". The term "有效" is used in the Chinese version of Paris Convention.	

7 & 17 (see extracts)	Deacons	In clause 7, review "the use is likely to cause confusion" and "the use is likely to be associated with an earlier trade mark".	Clause 17(2) requires the
		Second response Imprecise wording has already required U.K. judicial consideration of "association".	
	LS	Definition of "association" needs to be improved.	No need to amend clause 7. The difference in wording is to make it clear that "likelihood of association" is not an alternative to "likelihood of confusion".
9(3)	LSD	Add a comma before the words "or organ". This clause is under review. In the Arbitration Bill and the Electronic Transactions Bill, the Administration has withdrawn this application formula and replaces with wordings "This Ordinance binds the Government".	The word "organ" covers organs of both public and private nature. The offices set up by the Central People's Government in HKSAR would be covered.
10 & 11	INTA & Deacons	Should have express presumption of registrability.	Not necessary.
10(1)	ITMP	Add "Subject to subsections 2, 4, 6, 7, 8 and 9 below a sign qualifying as a trade mark under section 3(1) shall be registrable".	Not acceptable.
10(1)(b) (see extracts on clauses 3 and 10(1)(b))	LS, ITMP and Deacons	The term "devoid of any distinctive character" is unclear and should be replaced with "trade marks which are not capable of distinguishing the goods or services of one undertaking from those or another undertaking", or the whole clause 10(1)(b) should be deleted.	 Not accepted. Interpretation by UK courts has been practical and just. IPD will set out relevant considerations in its Work Manual on what marks will be regarded as distinctive.

10(1)(d)	LSD	Add "or business" after "trade".	No need to amend.
10(2)	LS	Delete the wordings after "it" and substitute "in fact distinguishes or is capable of distinguishing the goods or services of the applicant as a result of the use or intended use made of it or any other circumstances".	Do not agree.
10(3)	LS	"shape" should not be excluded from registration.	 Exclusion of "shape" has been in our law (s.12(3) of TMO) since 1996. No amendment is required.
10(4)(a)	LSD	Add "public order" after "morality". Article 6 quinquies B(3) of the Paris Convention states that registration of a trade mark can be refused if it is contrary to public order.	Concept of "public order" should not be introduced in the Bill.
11(8)	CC	Guidelines should be made as to Registrar's exercise of power.	Will be in Trade Marks Work Manual.
	ITMP	Change to "Nothing in this section prevents the registration of a trade mark where the owner of the earlier trade mark or other earlier right consents to the registration."	possible to accept an application (for an identical
	LSD	Different from the U.K. Act. Any guidelines made available to the public on how the Registrar is going to exercise his power of refusal?	Guidelines will be set out in the Work Manual.
	Barry Yen	Letters of consent should be conclusive.	
12(1)(b)	LSD	Too wide a discretion for Registrar to register a trade mark. Should add "just and equitable" before the word "circumstances".	the word "special" before "circumstances". "Special"

16(2)	ITMP	Potential loophole if infringing trade mark was applied to goods before trade mark was registered.	is registered, the offending
16(2)(a)	LS	Add "or would constitute an infringement if applied to goods in Hong Kong" at the end of clause.	S
16(3)(b)	LS	Add "if applied to goods in Hong Kong" at the end of clause.	
17(2)(b)	ITMP, Deacons and LS	Clause should be deleted or revised, i.e. no confusion is necessary.	
17(4)	Deacons	Dichotomy. Owner of a famous trade mark may be able to protect the mark for use on unrelated goods but may not be able to protect the mark for use on identical goods if he cannot show public confusion. Second response	
		Absurdity noted by the House of Lords during the Committee Stage of the UK Bill.	
17(5)(a)	LS	Add "whether or not such packaging is to be applied to goods in Hong Kong or elsewhere" at the end of clause.	` / ` /
17(5)(g) and 17(6)	LS	Add "including electronic documents, whether or not in human readable form".	Wordings wide and clear and embraces electronic use.

17(6)(a)	LS	Add "whether or not such packaging or labeling is to be applied to goods in Hong Kong or elsewhere" at the end of clause.	. , , ,
17(7) (see extracts)	LS	Add "for the purpose of identifying in an advertising circular or other advertisement issued to the public goods or services as those of the owner of the registered trade mark or a licensee".	What if the comparative advertising takes place on the container surrounding a particular product?
	Deacons and ITMP	 Drafting was a mess. "if the use is without due course and takes unfair advantage of" should be reviewed. 	
	Deacons	Second response UK judges have struggled to interpret this section. Hong Kong does not have fair trading legislation or effective policing of advertising standards. Hong Kong is not bound by the EC Directive and lacks the underlying legislation of the UK which governs advertising generally. Hong Kong should have a clause drafted both appropriate for Hong Kong and more importantly, self-contained.	has been applied in a number of cases without difficulty.
	LSD	Should have a comprehensive law on advertisement first. Will there be a surge of litigation if clause enacted?	section 10(6) of the UK Act

19 (see extracts)	LS	Changed to "A registered trade mark is not infringed by the use of a trade mark in relation to any goods in respect of which the owner or any licensee of the trade mark has at any time expressly or impliedly consented to the use of that trademark in Hong Kong whether by putting those goods on the market in Hong Kong or elsewhere".	
	INTA	National exhaustion of trade mark rights is preferable to parallel importation (<i>sic</i>) or add "This section does not apply where the goods sought to be imported are materially different from those on the Hong Kong market".	line with Hong Kong's free trade policy.
20 - 24, 34 - 35, and 92	INTA	Civil and criminal remedies under Part III of TRIPS Agreement should be specifically included into this Bill.	Hong Kong is fully compliant with TRIPS. Criminal sanction is in Trade Descriptions Ordinance. Injunction and discovery process for civil litigation are provided. Not necessary to specify interim measures in the Bill.
23	LSD	For action such as an order for disposal, should jurisdiction go to the District Court as in the Copyright Ordinance?	·

24	LSD	To add a clause exempting liability of lawyers similar to section 187(4) of the Copyright Ordinance - "(4) Nothing in this section makes a barrister or solicitor liable to an action under this section in respect of an act done by him in his professional	No intention to exempt a legal advisor.
	ITMP	capacity on behalf of his client". Add "24(7) This section does not make a barrister, solicitor or member of the Hong Kong Institute of Trade Mark Practitioners liable to an action for an act done in a professional capacity on behalf of a client".	No intention to exempt a legal advisor. Not found in UK Trade Marks Act, Singapore Trade Marks Act or Irish Trade Marks Act. Why exempt a member of ITMP, but not all trade mark agents practising in Hong Kong? Adequate safeguards in clause 24(5) and (6).
	LS	Provision unnecessary or exempt practitioners.	Do not agree.
25(5)	Deacons	Add "subject to any other method which may be specified by the Articles of Association or other rules of the corporation governing execution of documents on behalf of the corporation" at the end of clause.	 Clause 25(4) and (5) should be read together. Clause 25(5) indicates one way of executing an assignment. It does not purport to stipulate the various ways in which an assignment can be executed by a company. No amendment is required.
		Second response	1
		The word "signed" in Clause 25(4) should be amended to "executed" in order to remove the internal consistency (<i>sic</i>) within Clause 25(4) and 25(5).	

27(3)	Deacons	The term "in ignorance" is unusual.	 Section 25(3)(a) of the U.K. Trade Marks Act, section 29(3)(a) of the Irish Trade Marks Act and section 39(3)(a) of the Singapore Trade Marks Act all use the word "in ignorance". No amendment is required.
27(4)(a)	Deacons	Does not address possible contractual rights of licensees to claim damages or account of profits before the relevant transaction date.	is to encourage the registration of a registrable transaction. The sanction against entitlement to damages contained in this clause only applies to a period <u>after</u> the date of transaction.
		Second response	No amendment is required.
		Second response Add "applied to be" before the	
		last word "registered".	
	LS	"date of transaction" ambiguous. Add "effective" before the "date of transaction" or "upon the date of the document recording the transaction".	Do not agree. "Date of transaction" is amply clear. No amendment is necessary.
	ITMP	"date of transaction" should be defined. Does it mean the date of signing of the assignment or its effective date?	To interpret the term "date of transaction" in clause 27(4), clause 27(2) is relevant.
28(3)	LSD	Clause 28(3) is added and not found in section 26 of the UK Act.	Clause 28(3) is added for greater clarity; to remove doubt whether or not a trustee can register a trade mark or registrable transaction.
30 - 35	INTA	Should include a specific requirement for licensors to maintain control over use of marks by licensees.	interest to maintain control

34(6)	Deacons	The term "takes part" is unclear.	The term can be found in Stroud's Judicial Dictionary. It is broad enough to include cases where a party has done something official e.g. filing into court an address for service etc.
36(2)(e) and (4)	LSD	New (not TMO nor UK Trade Marks Act 1994).	• Clause 36(2)(e) is to cater for flexibility.
			• Clause 36(4) is necessary as HKSAR now has 2 official languages.
39	LSD	Any arrangement between the Mainland of China and Hong Kong on the according of registration of trade mark priority?	This issue is beyond the ambit of this Bill.
40(3) and 42	ITMP	Extension of time limit not stipulated in the Bill is totally unacceptable.	Will be in Trade Marks Rules.
	INTA and LS	Extension of time should be outlined in the Bill/Rules.	CSA will be proposed to Clause 40(3) such that the time limit will be prescribed in the Trade Marks Rules. But we do not agree that there should be more extensions of time for filing notices of opposition.
	Lloyd Wise	This Bill/The Rules should provide for a fair and equitable arrangement for extension of time.	
40(5) & (6)	LSD	New.	Clause 40(5) & (6) have been added to empower the Registrar to withdraw acceptance if decision was made in error. It reflects section 17(1) of TMO.
48(6)	ITMP	Current law which allows restoration of registration of trade mark without any time limit should be retained.	The registered owner would have more than 12 months to renew or restore his registration.

50(2)	Deacons	On "common name", what if the mark is not a "name" but is a device mark or a 3-dimensional mark?	expand this clause to refer
		Second response	1
		Totally disagree with Government. Drafting error should be corrected. cf. section 24(1) of the Australian Trade Marks Act 1995 "if it becomes generally accepted within the relevant trade as the sign that describes or is the name of an article, substance or service". Clause 50(2)(c) is inconsistent with the wording of clause 10(1)(d).	
	ITMP	Change "common name in the trade" to "it has become common to the trade" or "common sign in the trade" to include devices.	Trade Marks Act. Difficult to see how a 3-dimensional
50(2)(e) and (8)	LSD	New.	• Clause 50(2)(e) i.e. contravention of condition entered in register, is a ground for revocation. The UK has not retained conditions.
			• Clause 50(8) makes it clear that services provided outside HK can constitute use of trade mark in HK for revocation purposes. (cf. section 39 (1A) of TMO).

50(3)(b)	Deacons	Section 37(2) and (2A) of the existing TMO empowering the Court or Registrar to impose limitations on the mark permitting its co-existence with a conflicting mark have not been carried over into this Bill.	used and are therefore not adopted in this Bill.
50(8)	Deacons	Poorly drafted and difficult to understand.	 Wordings from section 39(1A) of TMO. No amendment is required.
	ITMP	Second response Wordings nebulous and should not be carried over into the new Ordinance. A plain English approach would be more satisfactory. Clause tortuous.	
51(7)	LSD	New.	There can be no declaration of invalidity if a mark has been registered on the basis of honest concurrent use. There may be a gap in the UK law.

53(2)	Deacons	The limitation of the right to alter a trade mark registration to only name and address does not accord with overseas practice.	provides that a registered
			• This clause mirrors with section 44(2) of the U.K. Trade Marks Act and section 20(2) of the Singapore Trade Marks Act.
		Second response	No amendment is required.
		Either section 50(3)(a) should be deleted or a corresponding clause should be inserted to permit alteration of registered trade mark.	
	ITMP	Alteration on just the name and address of owner is too restrictive.	
55(6)	LSD	New. What if a person has acted on the incorrect entry and has suffered damages? Is the Registrar not liable even in tort? Should clause 74 also be reviewed?	• Land Registered Ordinance section 23A,

57	Deacons	Should there be a requirement that the earlier trade mark owner was aware of his legal rights to challenge that registration?	 This clause is mirrored in section 48 of the U.K. Trade Marks Act, section 24 of the Singapore Trade Marks Act and section 53 of the Irish Trade Marks Act. No amendment is required.
61	Deacons	Clause 61(2) does not address that there is still a risk of public deception arising from use of a trade mark otherwise considered to be well-known if that use commenced before the new Ordinance.	 This clause is reproduced in section 56(3) of the U.K. Trade Marks Act, section 55(4) of the Singapore Trade Marks Act and section 61(3) of the Irish Trade Marks Act and section 36(2) of the South African Trade Marks Act. No amendment is required.
		Second response	
		Clause 61(2) goes beyond protection of "prior rights". It is also contradictory in that it recognises the unauthorized use in good faith of a well-known trade mark.	Clause 61 is consistent with Article 6bis of the Paris Convention and Article 4(1)(a) of the WIPO Joint Recommendation.
	INTA	Criteria for determining a "well-known mark" should be broadened.	
62(3)	Deacons	For consistency, the following wordings "goods or services which are the same as or are of a similar kind to those in relation to which it indicates control and warranty" should be replaced by the wordings "in relation to goods or services which are identical or similar to those for which the mark is registered" as in Clause 17.	Wording of the Paris Convention should be followed.
67	LSD	Why not put definition of "certified copy" in section 2?	A definition of "certified copy" is set out in clause 78(5).

69	ITMP LSD	Not clear whether parties to proceedings before the Registrar could call witnesses. New.	It is clear and self-evident that the parties may request the Registrar to summon witnesses. This expands on section 83 of TMO.
69(3)	LSD	"Any order made by the Registrar under this section shall, with leave of the court, be enforceable in like manner as an order of the court." What power, in like manner, does the Registrar have? Can he commit a party to committal?	The Registrar has neither the power of committal nor the power of enforcing any order made under clause 69(1). An application will have to be made by the Registrar to the Court of First Instance to enforce against any failure to comply with his directions.
71	LSD	New.	This provides flexibility in the event of, for example, outsourcing of publications regarding the applications.
72	LSD	 New. These notices are not subsidiary legislation and they are not subject to vetting of the Legislative Council. 	Noted.
73	LSD	New.	Noted.
74	LSD	New.	Registrar is nevertheless bound by the principles of natural justice to act fairly, reasonably and judicially.
75	LSD	New.	To accommodate bilingual official languages.
76(2)	LSD	New.	Puts the position beyond doubt.

77 (see extracts)	ITMP and Deacons	Should be deleted. The Registrar should be bound by the same rules of evidence as the court.	Important to retain this provision.
	Deacons	Second response	
		 Fundamental contradiction that an appeal can be taken to the Court on a decision which may be based on evidence which the court itself would consider to be inadmissible. "Except as provided in this Ordinance" does not qualify the clause in any meaningful way. 	
		Third response	
		 If the Registry applied a lower standard than the courts regarding admissibility of evidence, this will encourage forum shopping and encourage use of Registry proceedings as a "dry run" to test and perfect their case. Dualit Limited v Rowlett Catering Appliances Limited referred. 	The tribunals of law (as opposed to courts) should have a more informal approach to evidence is well illustrated by various tribunals such as Small Claims Tribunal, Labour Tribunal.
	LSD	New.	This Clause is designed to nullify the effect of St. Trudo's case (1995) FSR 345.
81	LSD	New.Add "or the licensee" after "the owner".	The owner is the best person to prove whether a mark has been used. No need to add "or the licensee".
84	LSD	New.	Section 79(2) of TMO is covered by clause 84.

85(1)	LSD	 Why is that "the Registrar shall not be ordered to pay the costs of any other of the parties"? Any ordinance other than those intellectual Property Ordinance has this provision? 	raised any queries. This provision is intended to provide for a general indemnity for public officers against judgments made in exercising
85(2) & (3)	LSD	New.	 Clause 85(2) and 85(3) are added for clarity. Clause 85(3) defines "any other of the parties" referred to in section 85(1).
86(2) & (3)	LSD	New.	 Clause 86(2) of the Bill is not new. It is similar to section 82 TMO. Clause 86(3) expands on section 15(10) of the TMO as it applies to any proceedings before the Registrar.

87	ITMP and Lloyd Wise	Provision should be made for keeping in the future a register of trade mark attorneys.	<u> </u>
	LS	Add: (1) Rules made under section 90 may provide for the keeping of a register of persons who act as agents for others for the purpose of applying for or obtaining the registration of trade marks.	Needs further consideration. Not possible to plan for a register in the absence of any professional body providing the proper training.
		(2) The rules may contain such provisions as the Registrar thinks fit regulating the registration of such persons and the designation of such persons so registered.	
		(3) the Registrar may delegate to another person the keeping of any register set up under the rules.	
88	Deacons	"business day" will include Saturday. This is inconsistent with international practice. Also, it should be clearly specified that documents may be filed up to midnight on any particular day and provision should be made for on-line and physical filing of documents using, for instance, a deposit box which automatically locks at midnight.	Rules. • No amendment is required.
		Second response Totally disagree. Majority of Hong Kong trade mark owners are based overseas. Hong Kong should follow the rest of the world.	
88(2)	ITMP	Add "on a Saturday or" after the word "expires".	Saturday is a working day. Not an excluded day in Singapore.
	Barry Yen	Saturday be excluded.	

89 LSD New. Noted. 90 LSD • The Registrar may make rules which are more	
detailed. Rules prescribing fees shall be made with the consent of the Financial Secretary and may be fixed at levels that provide for the recovery of expenditure incurred.	
	to incorporate tions Ordinance
INTA Should specifically state imprisonment/fines for willful infringement in addition to offences under section 92 - 95. Trade Description Ordinance should be consequentially amended.	
• In TMO, any person who makes a false entry in the register commits an offence and is liable on conviction upon indictment to a fine of \$50,000 and to imprisonment for 7 years. • In the Bill, (a) on summary conviction, to a fine at level 5 and to imprisonment for 6 months; and (b) on conviction on indictment, to a fine at level 5 and to imprisonment for 2 years.	of UK Act 1994.
	level has been more reasonable

94	LSD	 New. Any person who uses in his place of business the words "Trade Marks Registry" commits an offence and is liable on summary conviction to a fine at level 4. 	A new offence is created to cater for misuse of the title "Trade Marks Registry".
95	Deacons	Definition of "director" in Companies Ordinance should apply. Wrong to include a manager as an officer of a company.	No drafting error. Under section 2 of the Companies Ordinance, "officer" includes "a director, manager or secretary". The word "manager" is present in corresponding sections of the Copyright Ordinance, the Patents Ordinance and the Registered Designs Ordinance.
	LSD	New.	cf. section 101(2) and (5) of UK Act 1994.
95(4)	LSD	Please review the Chinese and English version.	Will consider amendments.
96	LSD	 New. Chief Executive in Council may make regulations for transitional or savings matters. Provisions of Schedule 3 shall prevail over any regulations made under this section in the event of an inconsistency. 	They are necessary to provide for the transition from the TMO to the new trade marks law.
98	LSD	Positive vetting by LegCo of the Trade Mark Rules?	The Rules concern mainly technical and procedural matters, negative vetting should suffice.
		Any substitute provision for the Trade Marks (Emergency) Ordinance (Cap. 263).	No substitute as it is considered not necessary.

Schedule 4 Sections 6-8		Definition of "trade mark" is amended in Trade Descriptions Ordinance (Cap. 362). Section 9A is added. This creates a new offence in respect of certain goods and articles made outside Hong Kong.
Section 11		 The reference of "section 27 or 67 of the Trade Marks Ordinance (Cap. 43)" and the reference of "the proprietor of trade marks" in section 9(3) of the Trade Descriptions Ordinance should be amended. CSAs will be submitted.
		 Any person who forges trade marks, imports or exports goods with forged trade mark, makes any die for the purpose of forging trade mark etc. commits an offence and is liable on conviction on indictment to a fine of \$500,000 and to imprisonment for 8 years. (In TMO, the imprisonment term used to be 5 years). Updated penalty levels more in keeping with present day circumstances.
Others	INTA	 Border protection measures against importation of goods which infringe trade mark rights be included in this legislation and Trade Description Ordinance be amended. Already provided in Trade Descriptions Ordinance. No need for border measures to be dealt with in the Bill.
		 Specific provision should be made to provide for protection of geographical indications, certification marks, collective marks and trademarks that are geographical terms which have acquired a secondary meaning. A geographical indication which has acquired a secondary meaning could be registered as an ordinary trade mark.

* CC - Consumer Council (CB(1)1918/98-99(02))

Deacons - Deacons, Graham & James (CB(1)1970/98-99)

second response under. CB(1)698/99-00 and

third response under CB(1)871/99-00

INTA - International Trademark Association (CB(1)1903/98-99)

ITMP - Hong Kong Institute of Trade Mark Practitioners (CB(1)1953/98-99)

Lloyd Wise - Lloyd Wise & Co. (CB(1)1891/98-99(07))

LS - The Law Society of Hong Kong and the Hong Kong Group of the

Asian Patent Attorneys Association (CB(1)278/99-00(01))

LSD - Legal Service Division, Legislative Council Secretariat

(CB(1)1897/98-99(04), CB(1)305/99-00(01), CB(1)305/99-00(02) and

(CB(1)676/99-00(06))

Barry Yen - Solicitor of So, Keung, Yip & Sin (CB(1)206/99-00(05))

Administration's Response to Deacons (CB(1)302/99-00(01))

Administration's Second Response to Deacons (CB(1)874/99-00(02))

Administration's Response to INTA (CB(1)676/99-00(03))

Administration's Response to ITMP (CB(1)676/99-00(04))

Administration's Response to LS CB(1)874/99-00(01)

Prepared by

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