

Long Overdue: The New Trade Marks Ordinance

Much of Hong Kong's Intellectual Property legislation received a major facelift prior to the handover on 1 July 1997, but we've had to wait a little longer for the new Trade Marks Ordinance. Kim Nicholson discusses the much-debated changes which came into force this month

Background

A range of substantive and procedural changes have been made to trade mark law and practice in Hong Kong with the commencement of the new Trade Marks Ordinance (Cap 559) on 4 April 2003. The long-awaited Ordinance marks the culmination of a reform process that had its genesis in a consultation paper issued by the Intellectual Property Department in 1993, and which was driven by trade mark law reform in other common law jurisdictions such as Australia, New Zealand and particularly the United Kingdom.

The long delay in the implementation of the new Ordinance after enactment by the Legislative Council on 15 June 2000 was largely due to the development and installation of a new computer system capable of handling an electronic system of registration, as well as the drafting of the new Trade Mark Rules, which also came into force on 4 April 2003.

Although the old Trade Marks Ordinance (Cap 43) had been previously amended to comply with the international standards for intellectual property protection set down by the TRIPs Agreement (the international 'Agreement on Trade-Related Aspects of Intellectual Property'), it contained various bureaucratic impediments and other restrictions.

The new Ordinance sweeps the old system away with an updated and modernised law which has the effect of increasing protection for registered trade marks and simplifying and streamlining the registration procedure. Amongst the changes are reduced fees, provision for multiclass applications, abolition of the division of the register of trade marks into Part A and Part B, standardisation of the registration period and implementation of e-commerce, extension of protection to well-known trade marks and expansion of the definition of what constitutes a trade mark and what constitutes trade mark infringement.

In addition to the new legislation the Intellectual Property Department will continue to roll out the delivery of electronic services pursuant to an IT outsourcing program. The new program means significant changes for IPD staff who now handle casework electronically. In late January 2003 the IPD also introduced the full version of a free online trade mark search system, accessible at <http://ipsearch.ipd.gov.hk>. The online search system is a significant advance over the previous method of physically attending the IPD to conduct searches. Further

changes to be introduced in 2004 include the option to file and pay for applications and correspond with the IPD electronically.

Another significant development is the release by the IPD of various chapters of the draft Work Manual, which is intended to be an evolving guide to the examination practice and procedure of the Trade Marks Registry and other proceedings under the new Ordinance. The Work Manual will evolve over time as appropriate to reflect developments in the law and practice. Although intended primarily as a reference work for examiners and other IPD staff, the work manual will also be a useful resource for practitioners and the public.

Several of the changes introduced by the new legislation are discussed further below.

Registrability of Trade Marks

No Division of Register

Under the old Ordinance the register of trade marks was divided into Part A and Part B, which imposed two different standards of registrability. Part A registration was reserved for trade marks considered to be distinctive, or 'adapted to distinguish' the applicant's goods or services from those of other traders. A trade mark needed to fit within one or more particular categories of distinctive mark in order to qualify for Part A. If a trade mark was not sufficiently distinctive for the purpose of Part A, it could generally still qualify for registration in Part B if it was 'capable of distinguishing' the applicant's goods or services from those of other traders.

The new Ordinance sweeps this approach away by abolishing the division of the register into Part A and Part B and by effectively adopting the old Part B standard as the test for the registrability of a 'trade mark'.

Definition of Trade Mark

A trade mark now means any sign which is (a) capable of distinguishing the goods or services of one undertaking from those of other undertakings, and which is (b) capable of being represented graphically. Although 'sign' is undefined, the intention is that this term will be interpreted broadly and will therefore embrace anything that is capable of functioning as a trade mark in the marketplace.

Under the old Ordinance the definition of a mark included the additional requirement of being visually perceptible, which excluded intangible marks such as sounds and scents or smells. The new Ordinance now specifically provides for registration of marks comprising colours, sounds, smells or any combination thereof, amongst other things. A single colour may be registered as a trade mark, if the mark has the required capacity to distinguish. Shape (ie threedimensional) marks which are capable of distinguishing were registrable under the old Ordinance, subject to certain restrictions, and the new Ordinance preserves this position. Although sound marks and scent marks are now registrable, applicants must carefully consider the requirement to graphically represent such marks (see boxed text).

Assuming that a sign is capable of being graphically represented, the remaining question is whether the sign is 'capable of distinguishing' as indicated above. According to the work manual, the test to be applied has a very low threshold: Does the sign perform the function of identifying all goods marked with it as coming from the control of the same undertaking? Put another way, does the sign indicate who the product or service comes from? If so, then the sign is a trade mark and can be considered further for registration.

Graphically Representing a Smell

A sound mark may be graphically represented easily enough using conventional musical notation or onomatopoeic words (eg. a dog 'woofing' or a pig 'oinking'). However, it will be interesting to see how this requirement may develop in relation to scent marks in Hong Kong. The new Ordinance mirrors the United Kingdom's Trade Mark Act 1994 on the definition of a trade mark. In the UK decision of John Lewis of Hungerford Ltd's Trade Mark Application ([2001] RPC 575), the description of a scent mark as 'the smell, aroma or essence of cinnamon' in relation to furniture was held to be defective. The mark was not considered to be clearly and unambiguously described by this phrase, as it lacked precision due to the subjective nature of whether a fragrance exemplified 'the smell, aroma or essence of cinnamon', and the extent to which the perceptions of different people could equally be regarded as benchmarks for interpreting this phrase.

In the recent decision of the Court of Justice of the European Communities in *Sieckmann v German Patent and Trade Mark Office* ([2002] All ER 185) (decisions of the ECJ are binding in the UK), the ECJ ruled that three separate representations of a scent mark (ie, 'methyl cinnamate' described by the applicant as 'balsamically fruity with a slight hint of cinnamon') did not satisfy the requirement to be graphically represented either individually or collectively. In this case the provision of a chemical formula did not represent the odour of a substance, was not sufficiently intelligible and was not sufficiently clear and precise; a written description was not sufficiently clear, precise and objective; and a deposit of an odour sample did not constitute a graphic representation, nor was it sufficiently stable or durable.

The chapter of the Work Manual dealing with 'Deficiencies checking' (revision 28.02.03), taking from the UK Trade Marks Registry Work Manual provides the following guidelines for when the Registrar will consider a mark to be graphically represented:

- it can be determined from the graphical representation precisely what the sign is without the need for supporting samples;
- the graphical representation can stand in place of the sign because it represents only the sign and no other;
- it is reasonably practical for anyone inspecting the Register, including the official journal in an electronic form, to understand from the graphical representation what the trade mark is;
- it is defined with sufficient precision to determine infringement rights; and
- no prior knowledge of how the mark is in fact used is necessary.

The uniform graphic representation of a scent is considered to present some difficulty due to the many factors which may influence the perception of scent. However, to the extent that the applicant may need to satisfy the IPD that a description of a scent mark exemplifies the scent in question, or the extent to which a written description is considered to be insufficiently clear, precise or objective, there is likely to be some difficulty in satisfying the requirement for graphical representation in relation to scent marks.

Presumption of Registrability

The new Ordinance generally provides that the Registrar must accept an application for registration of a trade mark if it appears that the requirements for registration have been met. Although the 1993 consultation paper certainly envisaged that this would be the position, the equivalent provision in the UK legislation has been interpreted as being neutral with regard to registrability. In the UK there is no presumption for or against registrability and the Registrar has no burden to discharge in order to justify a decision to refuse an application. The Intellectual Property Department has made it clear that this is also the approach it has adopted in relation to the new Ordinance, in the chapter of the work manual dealing with absolute grounds for refusal.

When a trade mark application is being examined an objection to registration may be raised on absolute or relative grounds.

Absolute Grounds for Refusal

An absolute ground for refusal generally refers to some inherent flaw in the trade mark, such that the trade mark itself is not registrable. The new Ordinance provides that a trade mark will not be registered where it does not meet the definition of a trade mark; is devoid of any distinctive character; consists exclusively of signs which may generally serve to designate quality, quantity or some other characteristic of goods or services; or consists exclusively of signs which have become customary in the current language or in the honest and established practices of the trade (eg marks which have become generic in the marketplace).

However, an absolute ground for refusal does not mean automatic rejection of a trade mark application. The trade mark applicant may seek to overcome these grounds for refusal by demonstrating that the trade mark acquired distinctive character through use, prior to the date of the application.

Other examples where an absolute ground for refusal may be raised include where the trade mark is contrary to principles of morality or law; where the trade mark is likely to deceive the public; where the application for registration of the trade mark was made in bad faith; or where the trade mark comprises the national or regional flag or emblem or their corresponding designs.

Relative Grounds for Refusal

A relative ground for refusal will generally be raised where a trade mark conflicts with an earlier registered trade mark. This earlier mark constitutes a 'citation objection'. An earlier unregistered trade mark (ie, a trade mark which is the subject of a pending application) constitutes a conditional citation objection. In practice an examined application facing a conditional objection will be suspended pending the outcome of the earlier application, so that only if the earlier pending mark is registered does the objection crystallise against the application. This is a departure from the practice under the old Ordinance where a citation objection was raised regardless of whether the earlier mark was pending or registered.

In particular, a relative ground for refusal will be raised where a trade mark (the later trade mark) conflicts with another trade mark (the earlier trade mark) which has an earlier application date or Paris Convention priority date (as appropriate) than the application date of the later trade mark. The later trade mark will not be registered where:

- a. the later mark is identical to the earlier mark and the goods or services covered by the later mark are identical to the goods or services covered by the earlier mark;
- b. the later mark is identical to the earlier mark, the goods or services covered by the later mark are similar to the goods or services covered by the earlier mark, and the use of the goods or services covered by the later mark is likely to cause confusion on the part of the public;
- c. the later trade mark is similar to the earlier trade mark, the goods or services covered by the later mark are identical or similar to the goods or services covered by the earlier mark, and the use of the goods or services covered by the later mark is likely to cause confusion on the part of the public;
- d. the later trade mark is identical or similar to the earlier trade mark, the goods or services covered by the later mark are not identical or similar to the goods or services covered by the earlier mark, and
 - i. the earlier trade mark is entitled to protection under the Paris Convention as a well-known trade mark;
 - ii. 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; and
 - iii. the owner of the earlier trade mark successfully objects to the application for registration of the later mark by way of opposition proceedings; or
- e. the use of the later trade mark in Hong Kong may be prevented by virtue of any rule of law protecting a sign used in the course of trade or business, or by virtue of an earlier right, and the owner of the sign or earlier right successfully objects to the application for registration of the later mark by way of opposition proceedings.

The later trade mark may still be registered where the owner of the earlier trade mark or earlier right consents to registration, unless the Registrar is satisfied that there exists a likelihood of confusion on the part of the public. For the purpose of determining this likelihood the Registrar may take into account various factors including whether the use of the later mark is likely to be associated with the earlier trade mark.

The new Ordinance also retains the provision that the later mark may still be registered where the Registrar is satisfied that there has been honest concurrent use of the later trade mark, or that there are other special circumstances.

Registration and Procedure

Multi-class Applications

An application for registration of a trade mark may now specify one or more classes of goods or services, resulting in significant time and cost savings and reducing the administrative burden on the Registry, practitioners and applicants alike. The official filing fee for the first class is \$1,300 (\$650 for each subsequent class), which also covers the cost of publication and registration. This is a significant saving off the \$1,400 filing fee per single class application under the old Ordinance, which did not include the advertising fee of approximately \$2,000 payable to the government printer or the additional official registration fee of \$2,000.

Previously, a trade mark owner was forced to file and pay for a separate application in each class of interest. The new Ordinance also adopts the latest 8th edition of the international classification system of goods and services under the Nice Agreement. Amongst other things the 8th Edition of the Nice classification divides class 42 into four classes by revising class 42 and adding new classes 43, 44 and 45.

Divisional Applications

The new Ordinance sets out a new procedure for dividing a pending application at any time before registration into two or more separate applications each with a different subset of the original specification of goods or services. This procedure may be useful where grounds for refusal or an opposition concern only part of the goods or services covered by an application. In such a case the applicant may proceed to register her trade mark in relation to those goods or services which are not affected by the refusal or opposition.

Associated Trade Marks

The new Ordinance abolishes the concept of associated trade marks and any associations previously in place ceased to have effect on 4 April 2003. Under the old Ordinance the Registrar could require that marks be registered as associated trade marks generally where the marks were identical or nearly identical, were owned by the same party and covered identical or similar goods or services. One benefit of this was that use of one associated mark could be accepted as use of another, thus avoiding revocation of the registration of any of the associated marks based on non-use. However, one disadvantage was that associated marks could not be separately assigned.

Defensive Trade Marks

The new Ordinance continues to provide for registration of defensive trade marks. Although the mark must now be exceptionally well-known in Hong Kong, the mark no longer needs to comprise an invented word or words, device or devices or a

combination thereof. If the requirements for registration as a defensive mark are satisfied, the mark may be registered in relation to goods or services which the trade mark owner does not use or intend to use.

Collective Trade Marks and Certification Trade Marks

The new Ordinance has introduced the concept of a collective trade mark into Hong Kong trade mark law. A collective trade mark is generally used by members of an undertaking to distinguish their goods or services from those of other undertakings. Therefore an association, group or body which owns a trade mark may register the mark as a collective trade mark and allow its members to use the mark to indicate membership of the association, group or body.

A collective trade mark does not certify that goods or services with which a trade mark is connected are certified by the trade mark owner as having certain characteristics or meeting certain standards (eg of origin, material, quality or accuracy). This is the function of a certification trade mark, which is a concept retained by the new Ordinance.

Well-known Trade Marks

The new Ordinance also introduces a welcome extension of protection to well-known trade marks. Prior to the commencement of the new Ordinance a well-known trade mark could be protected by way of opposition proceedings or by the law of passing off.

The new Ordinance now generally provides that an owner of a trade mark which is entitled to protection pursuant to the Paris Convention as a well-known trade mark is entitled to restrain by injunction the use in Hong Kong of identical or similar marks, where such use is likely to cause confusion on the part of the public. This remedy is subject to the defence of acquiescence, as well as any use of a trade mark in good faith which commenced prior to 4 April 2003, such use being unaffected.

A reference to the owner of a wellknown trade mark is a person who:

- is a national of, or is domiciled or ordinarily resident in, a Paris Convention country or WTO member;
- has a right of abode in Hong Kong; or
- 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 addition, as noted earlier, resemblance to an earlier well-known trade mark is a relative ground for refusal of registration and the goods or services covered by the later mark do not need to be 'identical nor similar' to the goods or services covered by the earlier mark.

The new Ordinance contains a schedule setting out a nonexhaustive, non-binding list of factors or guidelines for assisting the Registrar and the court in determining

whether a trade mark is well-known in Hong Kong. These guidelines are based on recommendations approved by the World Intellectual Property Organisation.

A well-known trade mark may be registered as a defensive trade mark.

Bilingualism

The new Ordinance provides that an application may be filed in one of the official languages under the Basic Law (ie Chinese or English). That language must then be used as the language in all proceedings before the Registrar. This means that the Registrar will write to the applicant in that language, all documents filed with the Registrar must be in that language and publication and registration will be in that language. In particular, opposition to an application will need to be filed in the language of proceedings unless the parties agree to change it. Trade mark searches will need to be carefully conducted to ensure trade marks in both languages are uncovered. A document which is not in one of the official languages can be filed if it is accompanied by a verified translation in the language of the proceedings.

Examination Timeframes

The new Rules were to impose nonextendible time limits for responding to an examination report issued against an application. However, in response to the concerns and submissions of trade mark practitioners the Legislative Council suggested that the Intellectual Property Department and practitioner groups discuss this matter further. Although the IPD was responsive to these discussions and the new Rules were subsequently amended, examination timeframes have been tightened up and applicants and practitioners will generally need to be more responsive to the Registrar's registration requirements.

The applicant has a period of six months to respond to the first examination report from the Registrar, which period may then be extended for three months for filing representations to establish that the requirements for registration have been met or amend the application. If the Registrar issues a further examination report, the applicant will then have three months to satisfy the requirements for registration or call for a hearing. This second three month period may then be extended for further periods not exceeding three months where:

- a. relative grounds for refusal have been raised against the application, and
 - i. the applicant needs additional time to obtain the consent of the owner of a relevant earlier trade mark;
 - ii. the applicant needs additional time to obtain an assignment of a relevant earlier trade mark; or
 - iii. time should be allowed for pending revocation or invalidation proceedings to be disposed of;
- b. the applicant needs further time to preparing evidence of use to be filed in support of the application; or
- c. other exceptional circumstances exist to justify the granting of an extension.

Under the old Ordinance, where an application had not been accepted within the relevant timeframes due to official delay, the official practice was to require the

applicant to continue to request and pay for further extensions of time. This contentious practice has not been revised by the new Ordinance.

Disclaimers, Limitations and Conditions

Under the old Ordinance the Registrar had the power to accept an application absolutely or subject to such conditions, amendments, modifications or limitations as the Registrar may think right. The new Ordinance reverses this position so that the applicant may disclaim any right to the exclusive use of any specified element of the trade mark, or agree that the rights conferred by registration will be subject to a specified territorial or other condition or limitation.

Publication for Opposition Purposes

When the Registrar accepted an application under the old Ordinance, leave to advertise the application in the government gazette was sent to the applicant. The applicant was then required to arrange for advertisement with the government printer. The procedure for publication has been considerably streamlined under the new Ordinance. Publication of accepted applications is now effected electronically on the internet directly by the Intellectual Property Department. This will lead to significant cost savings for applicants as payment to the government printer for advertisement is no longer required.

Opposition Timeframes

The new Rules impose an opposition period of three months. If a notice of opposition to registration of a trade mark is filed the applicant then has three months to file a counterstatement. The new Rules were amended prior to commencement to allow for the extension of each of these periods by two months only. The Intellectual Property Department agreed to the amendment of the new Rules to include this single two month extension of time during the same discussions which lead to the revision of examination timeframes.

Duration of Registration and Renewal

Under the old Ordinance a trade mark was registered for an initial period of seven years and could be renewed indefinitely for successive periods of fourteen years. Under the new Ordinance, the initial registration period is ten years and may be renewed indefinitely for successive periods of ten years.

Existing registrations which were due for renewal on or after 4 April 2003 may be renewed for ten years, whilst registrations which fell due for renewal prior to 4 April 2003 could be renewed for fourteen years. The official renewal fee is now \$3,000 for the first class (\$1,500 for subsequent classes), down from \$4,100 per single class registration under the old Ordinance.

Merger

Under the new Ordinance two or more registrations for the same trade mark may be merged into a single registration, if all of the merged registrations provide the same protection (eg, as a standard trade mark, defensive trade mark or

certification trade mark). The resulting registration will be subject to the same disclaimers, limitations and conditions as each of the merged registrations. The owners of registrations for the same mark in several different classes which resulted from the old requirement to file single class applications may therefore save considerably on renewal fees by merging those registrations. However, the resulting registration will have the same registration date as the most recent registration date amongst the merged registrations, so caution must be exercised before merging if any loss of exclusive rights predating that registration date is to be avoided.

Pending applications for the same trade mark and in the name of the same person may also be merged if they have the same filing date.

Registrable Transactions

The new Ordinance introduces a new concept of registrable transactions, which includes:

- an assignment of a registered trade mark;
- the grant of a licence;
- the grant of any security interest over a registered trade mark;
- an assent by a personal representative in relation to a registered trade mark; and
- a court order transferring a registered trade mark.

The system of registered users under the old Ordinance is replaced with provisions governing the licensing of registered trade marks. The new Ordinance generally tidies up the previously bureaucratic requirements in relation to assignments and licenses and replaces them with the requirement that the assignment or licence must be in writing and signed by or on behalf of the assignor or his personal representative, or the grantor of the licence (as appropriate).

Although recordal of an assignment or licence transaction is not mandatory, it is now important to file a recordal application so that the transaction will be effective against a person acquiring a conflicting interest who is ignorant of the transaction.

Furthermore, the right to recover damages for infringement will be limited if the recordal application is not promptly filed. The recordal application must therefore either be filed within six months of the transaction date, or the court must be satisfied that it was not practicable for the application to be made within this period and that the application was filed as soon as practicable thereafter. If this does not occur, the assignee or licensee will not be entitled to damages or an account of profits for any infringement which occurs between the transaction date and the recordal date of the transaction.

Revocation for Non-use

Under the old Ordinance a registration could be removed from the register on certain grounds, including where the trade mark was not in continuous bona fide

use for a period of at least five years. The new Ordinance permits revocation for non-use where a registered trade mark has not been genuinely used in Hong Kong in relation to the goods or services for which it is registered for a continuous period of at least three years, and there are no valid reasons for non-use. The transitional provisions provide that revocation of a trade mark registered prior to 4 April 2003 may only be sought on the ground of non-use, with the three year non-use period applying.

As a general rule, 'genuine' use is not expected to be interpreted much differently from 'bona fide' use, such that actual commercial use will be required to satisfy this requirement. On the other hand, 'valid reasons for non-use' is expected to be interpreted differently from the 'special circumstances in the trade' which excused non-use under the old Ordinance.

Alteration of Trade Marks

The new Ordinance retains the option to amend a trade mark which is the subject of a pending application to include the applicant's 'house mark' subject to certain conditions. In other words it is therefore possible to amend the representation of a pending trade mark to include a representation of an earlier registered trade mark, subject to certain conditions. Such an amendment may enhance the capability of a trade mark to distinguish.

Other amendments are possible but only for the purpose of restricting the goods or services covered by the application, correcting the name or address of the applicant, correcting errors of wording or of copying, and correcting obvious mistakes provided that the correction does not substantially affect the identity of the trade mark or extend the coverage of the goods or services covered by the application.

After registration only a trade mark that includes the owner's name and address can be altered. Even then, only alteration of the name or address which does not substantially affect the identity of the trade mark is permitted. In this regard the new Ordinance is significantly more restrictive than the old Ordinance, which generally permitted amendment of the representation of a registered trade mark provided the identity of the mark was not substantially affected.

Infringement

Definition of Infringement

The new Ordinance enhances the protection afforded to registered trade mark owners by broadening the definition of infringement. A registered trade mark will be infringed where:

- a. an *identical mark* is used in relation to *goods or services which are identical* to the goods or services for which it is registered (the registered goods or services);
- b. an *identical mark* is used in relation to *goods or services which are similar* to the registered goods or services, and the use of the allegedly infringing mark is likely to cause confusion on the part of the public;

- c. a similar mark is used in relation to goods or services which are identical or similar to the registered goods or services, and the use of the allegedly infringing mark is likely to cause confusion on the part of the public; or
- d. an identical or similar mark is used in relation to goods or services which are not identical or similar to the registered goods or services, the registered trade mark is wellknown in Hong Kong and the use of this trade mark, without due cause, takes unfair advantage of or is detrimental to the reputation of the trade mark.

Infringing Goods, Infringing Material, Infringing Articles

The new Ordinance sets out a wide range of goods, material and articles which infringe a registered trade mark. For example, goods are infringing goods if the goods or their packaging bear a sign which is identical or similar to a registered trade mark, and the application of the sign was an infringement when it was first applied; and material is infringing material if the material bears a sign which is identical or similar to a registered trade mark and the material is used or intended to be used for labelling or packaging goods in such a way as to infringe the registered trade mark.

Exceptions to Infringement

There will be no infringement where there are prior common law rights, or where the use of a registered trade mark is in accordance with honest practices in industrial or commercial matters and involves:

- a. the use by a person of his own name, address, the name of his place of business, the name of his predecessor in business, or the name of his predecessor's place of business;
- b. the use of signs to indicate quality, quantity, intended purpose or other characteristics of goods or services; or
- c. the use of the trade mark to indicate the intended purpose of goods or services (eg, accessories or spare parts).

Comparative Advertising

Under the new Ordinance comparative advertising that is in accordance with honest practices in industrial or commercial matters will no longer constitute infringement. In considering whether the use the trade mark is in accordance with honest practices, the court may consider such factors as it considers relevant, including whether the use takes unfair advantage of the trade mark, is detrimental to the distinctive character or repute of the trade mark or is such as to deceive the public.

Remedies for Infringement

The relief available for infringement remains the same as previously available and includes damages, injunctions, accounts for profit, delivery up and disposal of infringing goods.

Relief for Groundless Threats of Infringement Proceedings

The new Ordinance introduces a new cause of action where a person threatens to bring an action against another person for trade mark infringement. A person aggrieved by the threat may bring the action when the registered trade mark owner or a licensee authorised to bring infringement proceedings does not bring such proceedings against the threatened person within 28 days of the threat being made and pursues those proceedings with due diligence. The relief available from the court is a declaration that the threats were unjustifiable, an injunction against the continuance of the threats, or such damages as the aggrieved person has sustained by reason of the threats.

Barristers and solicitors are specifically exempted from the groundless threat provisions for any act done by them in a professional capacity on behalf of a client.

Parallel Imports

The new Ordinance clarifies that parallel importation is permitted, so that a registered trade mark is not infringed by the use of the mark in relation to goods which have been put on the market anywhere in the world with the consent of the trade mark owner and subsequently imported into Hong Kong. However, this exception does not apply where the condition of the goods has been changed or impaired after being put on the market and the use of the registered trade mark on those goods is detrimental to the distinctive character of the trade mark.

Transitional Arrangements

The new Ordinance generally provides that pending applications filed and advertised prior to the commencement date of 4 April 2003 will be dealt with under the provisions of the old Ordinance (eg advertisement will need to be carried out according to the old procedure). The old Ordinance will also apply to pending applications filed prior to 4 April 2003 and advertised on or after 4 April 2003, except in relation to the period within which notices of opposition or counterstatements may be filed, where the new Rules will apply. An application is generally treated as pending on 4 April 2003 if the Registrar has not issued a written decision (eg a formal hearing decision) on the matter before this date.

The new Ordinance permits applications which were pending, unadvertised and without a written decision on 4 April 2003 to be converted and considered pursuant to the provisions of the new Ordinance within six months of the commencement date, or until 4 October 2003. The notice to convert cannot be revoked. A converted application loses any priority claim made more than six months prior to the commencement date and is deemed to have been filed on the commencement date, although a new priority claim may be based on a priority application filed up to six months prior to 4 April 2003. A converted application may therefore be subject to relative grounds for refusal arising since the application was originally filed. Conversion may be useful where the examination of a trade mark pursuant to the old Ordinance has become intractable and the applicant seeks the benefit of the wider definition of a trade mark or the generally more relaxed standard of registrability available under the new Ordinance.

Trade marks registered and in force under the old Ordinance have been transferred to the new register pursuant to the new Ordinance, along with series marks and any disclaimers, conditions or limitations entered on the old register.

Conclusion

Hong Kong has traditionally followed United Kingdom legislation and the new Ordinance largely follows the UK Trade Marks Act 1994. Consequently, the body of existing UK case law on certain phrases taken from the UK Act (eg, 'contrary to honest practices in industrial or commercial matters' and 'without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark' in relation to infringement, comparative advertising and other matters) will assist in the interpretation of these phrases in Hong Kong.

Hong Kong can, however, be expected to find its own way in the significant number of areas where the new Ordinance does not directly follow the UK Act or the legislation in jurisdictions such as Australia which have already undergone reform of their UK-based legislation. With the commencement of the new Ordinance, witnessing the ongoing development of Hong Kong trade mark law is no longer an academic exercise.

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