
THE AMERICAN CHAMBER OF COMMERCE IN HONG KONG

Comments by the IP Committee on the 4th Draft Trade Marks Rules (31 October 2002)

The Committee understands that the new Trade Marks Ordinance (“the Ordinance”) is expected to come into effect in early 2003. The draft Trade Marks Rules (“the Rules”) deal with various procedural and practical aspects under the Ordinance. We are of the view that the following provisions have particular effect on the interests of our members:-

Non-Extendible Time limits

We note that Rule 95 (Non-extendible time limits) stipulates that the time limits under certain Rules may not be extended under any circumstances. We understand that the intention behind this is to ensure that the applications and procedures will proceed and be handled efficiently and without delays. However, we are of the view that this lack of flexibility may harm the interests of applicants/interested parties where extensions should be allowed for genuine reasons and/or circumstances outside the parties’ control. In particular, we have the following comments:

Rule 13 (Failure to meet the requirements for registrations)

If the Registrar is of the view that the requirements for registration are not met, the applicant is only allowed a 6-month period, and one final extension for a further period of 3 months, within which to respond to the Registrar’s official action by filing written representations or a request to amend the application so as to meet those requirements.

■ Length of period to respond

We are of the view that the strict time-line is onerous on the applicants, especially foreign corporations such as our members. In responding to the official action, it is not uncommon for foreign applicants to submit evidence of use to establish the factual distinctiveness of the mark or honest concurrent use. It is submitted that without any flexibility for extension of time, the time limit as proposed in the draft Rules is insufficient for the applicant to collate the necessary evidence, especially if the foreign applicant needs to collect the evidence through local distributors or agents in Hong Kong.

■ Multiple responses

Further, we feel that multiple responses should be allowed under the “6+3” time line – i.e. the time limit will start running again each time an applicant responds to an official action from the Registrar. The language of Rule 13 should therefore be clarified to this effect. It would be impractical to expect that all submissions and communications with the Registrar could be completed within the time line. Furthermore, we noticed an increasing trend of late objections raised by the Registry. If multiple responses are not allowed, then the Registry should not be allowed to raise late objections.

- Request for Hearing

Rule 13 further provides that if the Registrar still maintains his opinion that the mark applied for does not satisfy the registration requirements, he would report his views to the applicant. In those circumstances, the only way forward is to file a request for a formal hearing within one month after the date of report. If multiple responses are not allowed as discussed above, the current draft requires the applicant to request for a formal hearing after only a single round of submissions. This proposed procedure is very costly from the perspective of the applicant. Besides, the Rules should not eliminate the current practice of allowing applicants to request for informal hearings at which applicants may exchange views with the Registrar.

Rule 16 (Notice of Opposition) and Rules 26 and 56 (Notice of Objection)

We submit that from a practical point of view, the 3-month time limit for filing these Notices are too onerous on the part of the applicant, particularly those based overseas.

Application to Intervene/Caveat System

Under s. 29 of the Ordinance, an interested party may apply to register certain prescribed particulars of registrable transactions as listed thereunder (e.g. assignment, grant of a license or grant of any security interest). Thus, it seems that such parties to registrable transactions would have a legitimate interest to apply for the right to intervene under **Rule 52** (Application to intervene) should there be any proceedings to revoke, invalidate, vary or rectify the registration under Part 6 of the Rules. However, there is currently no provision in the Rules that would at least keep parties to registrable transactions on the register informed of such proceedings.

We believe that where registrable transactions have been entered in the register, all related parties to the registrable transactions should be informed of any proceedings under Part 6 of the Rules, so that the related parties will be able to consider whether there is a need for them to apply for leave to intervene. Additional provisions in the Rules should be added accordingly.

In this regard, we would suggest the Registrar to further consider adopting a caveat system similar to the one in the UK so that notification that some action has taken place on a trade mark application or registration (and not limited to proceedings under Part 6 of the Rules). Alternatively, such duty may be imposed on the party commencing the revocation or invalidation proceedings by way of a certification on oath that the related parties to registrable transactions on the register have been notified accordingly.