

# The Hong Kong Institute of Trade Mark Practitioners Limited



## **THE JOURNAL**

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### **Message from the President**

Dear Members,

The Year of the Monkey 2016 has been an extraordinary year for the world in general and the implications of the policies of the future 45<sup>th</sup> President of the United States and Europe without the United Kingdom will be felt for some time. It has also been an eventful time for intellectual property in Hong Kong. In addition to the passing of the Patents (Amendment) Ordinance 2016 and the recent gazetting of the Arbitration (Amendment) Bill 2016, momentum is also steadily gathering towards the application of the Madrid Protocol Relating to the Madrid Agreement Concerning International Registration to Hong Kong. The industry has wasted no time in exploring the implications and opportunities presented by this changing legal landscape as can be seen from the sessions held at the recent BIP Asia Forum, including “Chinese mainland, Taiwan and Hong Kong – IP Strategies for Going International” and “Resolution of IP Disputes – Recent Developments”.

Throughout these changes, the Institute will continue to represent the views of trade mark practitioners and to keep members informed of new and ongoing developments. To ensure that the Institute remains relevant to the needs of members, I would like to encourage new voices from the membership. Your support of the Institute is crucial and I would also like to extend a warm invitation to new members of the profession to join us as members.

Wishing you a wonderful Christmas and New Year.

Davina Lee  
HKITMP President



## EVENTS AND ACTIVITIES

### Past Events

#### 1. 2016 Lunchtime Seminars

The Institute would like to thank members and the following speakers for supporting the popular lunch time seminars:

- **Martin Howe QC**, visiting from London, who spoke on 14 January 2016 about celebrity "image rights" and shared with us the Rihanna case (Fenty v Arcadia).
- **Dr Benny Lo** who spoke on 6 June 2016 on the topic of "Arbitrating IP Disputes".
- **Sebastian Hughes** who spoke on 14 September 2016 on the topic of "Recent jurisprudence on shadow companies, cross-border goodwill and reputation, and use of signs on the Internet".

#### 2. Spring Dinner

In celebration of the Year of the Monkey, the Institute organised the Spring Dinner on 16 March 2016 (Wednesday), which was held at Café Malacca.

#### 3. Mediation Week

The Hong Kong Government has for several years actively encouraged parties to resolve disputes by mediation. The second week of May 2016 was designated "Mediation Week". The Institute supported the event by the presence of Council member Barry Yen as an invited speaker, and many other councillors in attendance.





Mr Rimsky Yuen, SC, Secretary for Justice introduced the four speakers representing a diverse range of experience and insight from academia (Prof. Nadja Alexander), mediators (Mr. Anthony Rogers GBS, QC, JP ret. V-P Court of Appeal), and counsel (Mr Norman Hui). Barry discussed the topic of assessing the suitability of evaluative mediation to resolve IP disputes. The presentations were lively, challenging, and attracted a range of questions and comments from the audience.

#### **4. Summer Event**



This year's Summer Social took place at Crossfire Arena in Tai Koo on the evening of 15 June 2016 and was a fun night of archery tag and bubble soccer. For those who were unable to join us - you missed out!

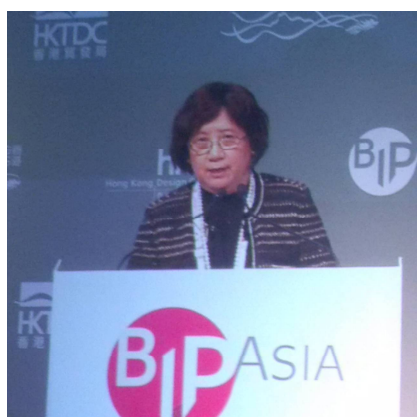
Please send any requests /suggestions for future social event activities to the HKITMP President.

#### **5. Annual General Meeting**



This year's Annual General Meeting took place at The Hong Kong Club, on 28 September 2016. We had the pleasure of Former Justice Rogers share with us his career as an IP lawyer and judge.

#### **6. Asian Business of IP Asia Forum (BIP Asia 2016)**



As in previous years, the Institute supported the Business of IP Asia Forum (BIP Asia 2016) co-organised by the Government of the HKSAR, Hong Kong Trade Development Council, and Hong Kong Design Centre. This year, the event was held at the HKCEC on 1-2 December 2016. Please refer to <http://www.bipasiaforum.com> for details.



## **Future Events**

We would welcome ideas and suggestions for events in the coming year.

### **Dates for your diary**

INTA - Barcelona, Spain - 20 - 24 May 2017

APAA - Auckland, New Zealand - 4 - 7 November 2017

## **LEGAL UPDATES**

### **(A) Legislative updates**

The Copyright (Amendment) Bill 2014 was shelved by the Government in February 2016 after Legco failed to pass it.

The Patents (Amendment) Bill 2015 was passed on 2 June 2016. It is not yet in force, pending drafting of the subsidiary legislation. The earliest it is expected to come into force is 2018.

### **(B) IPD Biannual Meetings**

The Bi-Annual meetings with the IPD took place on 28 April 2016 and 10 November 2016. A summary of some of the issues raised at the first meeting is as follows:-

#### **1. Updates on Matters Arising from Previous Bi-Annual Meeting**

##### **(a) Implementation of the new patent system**

The IPD informed the meeting that the Bills Committee had held eight meetings since December 2015. The Bills Committee had also completed scrutinising the Patents (Amendment) Bill 2015 clause-by-clause and other issues raised by the Government. The Bill resumed its second reading debate and was duly passed on 2 June 2016. It is not yet in force, pending drafting of the subsidiary legislation. The earliest it is expected to come into force is 2018.

##### **(b) Proposed application of Madrid Protocol to HKSAR**

Although the Government has yet to decide on whether the Madrid Protocol should be applied



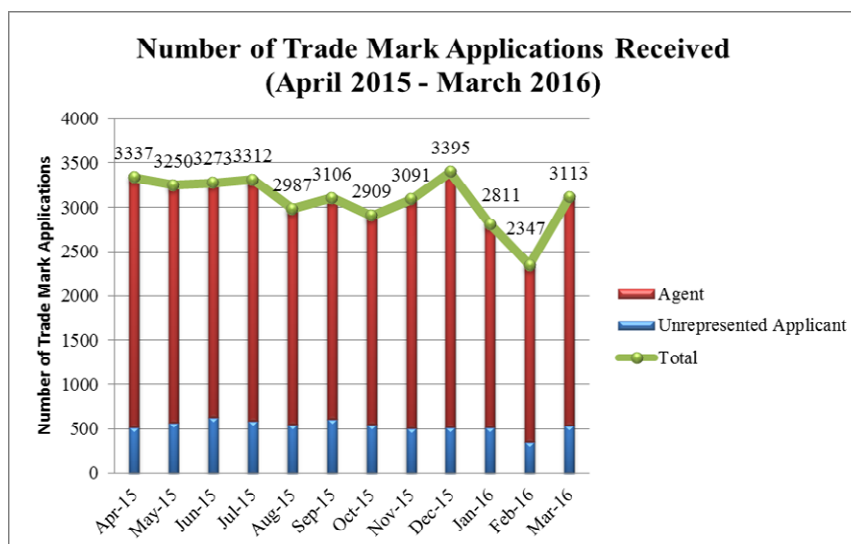
to Hong Kong, the IPD and the Central authorities have been in discussion on the potential implementation arrangement should the application go through. The IPD will keep the IP bodies up to date when the proposed implementation details become more concrete.

(c) Update on IP Trading

The IPD provided a written update to the Institute which sets out the implementation progress in the measures to position and promote Hong Kong as an IP trading hub. 78 consultation sessions were held to provide free preliminary consultation services to SMEs. The IPD has been working with legal practitioners to compile and publish a checklist containing basic practical guidelines on “IP audit” and “IP due diligence”, which is expected to be made available later this year.

2. **Statistics from IPD**

The IPD provided the following statistics regarding applications of trade marks, patents, and designs.



Based on the average month-on-month comparison for the period between April 2015 and March 2016, there was an overall decrease of 2.07% in the number of T2 applications received during this period. There was an increase in the number of standard patent ‘request to record’ applications, short-term patent applications, and design applications by 1.51%, 7.14% and 5.27% respectively during the same period.



### 3. Issues Raised by HKITMP Members

#### (a) Delays in receiving the Registry's response to written submissions or evidence of use filed

The Institute enquired on delays in receiving the Trade Marks Registry's response to some cases where submissions and evidence of use were filed in late 2013 and early 2014.

The IPD responded that the average processing time ranged from 6 months to 1 year depending on the complexity of the case. Delays were expected due to the need to meet different operational demands under constrained resources. The IPD noted that evidence cases processed in the first quarter of 2016 might have longer turnaround time due to efforts in clearing the backlog at the beginning of the year.

#### (b) Language of proceedings

Clarification was sought on the rules regarding the language of proceedings as the IPD had taken contrasting positions in relation to the language of documents filed with the Registry in two recent trade mark invalidation and opposition proceedings.

In an invalidation matter, the Applicant requested a change of language of proceedings from Chinese to English for filing its evidence in English. Trade Mark Rule 119 provides that "The Registrar may, subject to the consent of the **parties concerned**, give directions relating to the change of the language of proceedings on such terms as he may direct." As the Registrant was not participating in the proceedings to the extent that the invalidation was treated as unopposed, the Applicant argued that the Registrant was no longer a "party concerned". However, the Registrar insisted that the Applicant obtain consent from the Registrant.

In response, the IPD explained that under Rule 119 of the Rules, the unopposing party still had an interest in the proceedings and therefore should still be regarded as a "party concerned".

In another opposition case where the language of proceedings was in English, the Applicant filed a Chinese translation of an agreement in Italian. The Opponent then sought the Registrar's direction to request the Applicant to file an English translation of that agreement. However, the Registrar requested the Opponent to provide reasons for the translation request as it was not their usual practice to require parties to provide translations of exhibits into either English or Chinese if the statutory declaration(s) concerned was in the language of proceedings.



The IPD explained that pursuant to Rule 120, if any document filed to the Registry was in an official language other than the language of the proceedings, the Registrar would ask for reasons for the request of translation before she exercises the discretion of whether to direct the filing of the translation.

(c) Independent research of judicial decisions by hearing officers

The Institute expressed concerns over occasions where parties were not given opportunities to respond to or comment on judicial decisions that are referenced in hearing officers' written decisions but which were not argued in submissions.

The IPD confirmed that hearing officers were not obliged to ask parties for further submissions when citing established case law. However, where recent new authorities that would materially change the law or affect the outcome of the proceedings were relied on in their decisions, the IPD would remind the hearing officers that the parties should be given opportunities to make further submissions at the post-hearing stage.

(d) The IPD's server capacity in handling search requests

The IPD's server capacity did not seem to be able to cope with search requests. Search returned "Server too busy" page on several occasions.

The IPD replied that the incident was caused by a data format error. Should the problem persist, we should take a screenshot and report to Joey Wong from IPD on 2961 6901. A new integrated system is expected to be launched in 2018.

(e) Wording of letters of consent provided in the Work Manual

While section 12(8) of the Trade Marks Ordinance provides that "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**", the Work Manual provides that one of the factors to be considered in examining an application based on consent is whether the earlier trade mark owner has "given **consent to use and registration** of the mark for the goods or services stated in the specification". The words "use and registration" are also included in the sample letter of consent contained in the Work Manual.



The IPD has explained that the Trade Marks Registry would accept a letter of consent or a co-existence agreement that said consent is given for the “registration of the mark” even though the Work Manual requires that consent be given to “the use and registration” of the mark for the goods or services stated in the specification. The Registry might consider amending the relevant chapter of the Work Manual as it might appear too strict to require both registration and use.

On a side note, the IPD reminded Institute members that it was the practice of the Registry to require the name and the capacity of the person signing the letter of consent. However, if the person signed the letter of consent for and on behalf of the company in question, the name and capacity of the signatory could be dispensed with. Where a foreign company had given its consent which showed a different address on the letterhead to that which is on the IPD records, this might pose an issue as it could refer to a different legal entity. The IPD confirmed that consent with the requisite details printed on a blank paper would be acceptable. The IPD was prepared to consider updating the Work Manual accordingly.

(f) Computation of deadlines in opposition, revocation and invalidation proceedings

We sought clarification on the “date of receipt” and “date of filing” of the notice of opposition, counter-statement, evidence and Form T13 for extension of time under Rules 16, 17 and 18.

The IPD replied that a notice of opposition, counter-statement or other document is filed as it is received at the Registry. Where the document was received by the other party on a date after it was filed, computation of deadline began from the date of receipt. In relation to any disputes over the “date of receipt”, a statutory declaration attesting to the date of services or receipt should be submitted to the Registry.

(g) Service of list of authorities and skeleton arguments at hearings

The IPD confirmed that copies of authorities should be filed at least 3 clear days before the hearing. However, there is flexibility on the inclusion of skeleton argument as most parties would only provide the skeleton argument on the day.

(h) Registration of colour marks as “a series of marks”

According to section 51(3) of the Trade Marks Ordinance, a “series of trade marks” means “a number of trade marks which resemble each other as to their material particulars and differ only





as to matters of a non-distinctive character not substantially affecting the identity of the trade mark”.

In the recent CFA decision of *Tsit Wing (Hong Kong) Co Ltd v TWG Tea Co Pte Ltd* [2016] HKEC 228, the coloured version of Tsit Wing’s trade marks were registered together with the corresponding monochrome versions as “a series of trade marks”. The CFA held that the colour scheme of Tsit Wing’s trade marks should be regarded as a matter of non-distinctive character. Therefore, TWG Tea could not rely on the colour differences between its marks and Tsit Wing’s marks to contend that there was no likelihood of confusion.

In light of this, the Institute asked for the IPD’s clarification of the protection extended towards the colour mark registered as “a series of trade marks”. The IPD replied that it would look into this issue and welcome written submissions from IP professionals.

(i) Force majeure events where flexibility will be exercised by the IPD

The IPD mentioned that it had recently received a letter from the Japan Patent Office asking for flexibility exercised towards the applicants who were affected by the 2016 Kumamoto Earthquake.

The Institute expressed that force majeure events took place around the world and such flexibility should also be exercised accordingly. The IPD agreed with the Institute’s views and will update the Work Manual.

(C) **Tsit Wing (Hong Kong) Co Ltd v TWG Tea Co Pte Ltd [2016] HKEC 228**

On 29 January 2016, the Court of Final Appeal handed down its decision in the case involving the Hong Kong tea manufacturer, Tsit Wing (Hong Kong) Co Ltd, and the Singaporean tea brand, TWG Tea Co Pte Ltd. This was one of the few intellectual property cases that reached the Court of Final Appeal.

The plaintiff, Tsit Wing (Hong Kong) Co Ltd (“**Tsit Wing**”) is a local wholesaler of coffee and tea products which started out its business in Hong Kong since 1932. Tsit Wing registered two trade marks involving the use of “TWG” and three overlapping circles of different colours. TWG Tea Co Pte Ltd. (“**TWG Tea**”) is a Singapore-based tea company that is part of The Wellness Group. TWG Tea had its first shop opened in Hong Kong in 2011. TWG Tea adopted a cartouche mark “1837 TWG TEA”, a



balloon mark “TWG TEA”, and “PARIS SINGAPORE TEA”. Tsit Wing brought a case against TWG Tea for trade mark infringement and passing off.

The Court of Final Appeal dismissed TWG Tea’s appeal on both of the trade mark infringement claim and passing off claim. We set out below some important takeaways from this case.

### **Interpretation of section 18(3) of Trade Marks Ordinance**

TWG Tea raised the question as to the correct construction of section 18(3) of the Trade Marks Ordinance (“TMO”). The CFA held that the court should favour interpretations of section 18(3) of the TMO which is consistent with international obligations found in Article 16(1) of the 1994 Agreement on Trade-Related Aspects of IP Rights (TRIPS Agreement). Therefore, the conjunction “and” in section 18(3) should be construed in a cumulative and causal sense. The use of the sign which was likely to cause confusion should be “a result” of using a sign which is similar to the trade mark in relation to goods or services which are identical or similar to those for which it is registered.

### **Whether passing off can be sustained by “mere potential dilution of a trade mark”**

TWG Tea raised a question concerning whether a passing off claim could be sustained by the mere potential dilution of the plaintiff’s trade mark. The CFA held that “dilution” is used in the US as the gradual dispersion of the identity which made the public associate its use with “non-competitive goods” and does not involve any likelihood of consumers being confused or deceived.

The CFA agreed with TWG Tea’s submission and held that the US approach to “dilution” of trade marks does not represent the law of passing off in Hong Kong. Mere potential dilution of a plaintiff’s trade mark does not constitute sufficient damage for passing off. The CFA stressed that the court needed to maintain the balance in respect of the interests of the (1) plaintiff, (2) defendant, and (3) consumers and potential consumers. Therefore, if “dilution” by itself was sufficient for an action of passing off without the need to establish any consumer confusion/deception, it would disturb the balancing of these interests.

However, the argument is not to TWG TEA’s advantage as the liability of TWG TEA was not determined based on the ground of “dilution”. All three elements of passing off were satisfied in this case.



## (D) Update on the Nice International Classification

The Eleventh Edition, Version 2017 of the International Classification of Goods and Services for the Purposes of the Registration of Marks (the Nice Classification) will come into force on 1 January 2017. Members should refer to WIPO's and IPD's websites for the latest news ([http://www.wipo.int/classifications/en/news/nice/2016/news\\_0004.html](http://www.wipo.int/classifications/en/news/nice/2016/news_0004.html) and [http://www.ipd.gov.hk/eng/whats\\_new/news.htm](http://www.ipd.gov.hk/eng/whats_new/news.htm)).

## MEMBERSHIP

Please contact our Membership Secretary, Theresa Mak, at [membership@hkitmp.org](mailto:membership@hkitmp.org) if there are any changes to your contact details.

### 2016 Moves

Name	From	To
Fanny Chan	Deacons	Robertsons
Gina Reid	Simone IP Services	Haldanes
Chloe Lee	J S Gale & Co.	Chloe Lee & Co.
Anita Leung	Jones Day	David Lo & Partners
Chung Yuen Yan, Amy	Deacons	Pricewaterhousecoopers China Holding Limited

### New Members

A warm welcome to the following new members of the Institute:

1. Nina Fitzgerald - Deacons
2. Theresa Luk - Deacons (Student Member)

## QUIZ

**Last Issue's Question:** Who is the only US president to have a patent in his name?

A: Abraham Lincoln



**This Issue's Question:**

Q: In 1964, which U.S. corporation registered a 3-dimensional trade mark that is now internationally recognisable?

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