

# *THE JOURNAL*



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## *Letter from the President*

1

*Dear Members,*

*Warm greetings to everyone for the festive season.*

*First of all, I wish to thank all fellow council members for their unanimous support in electing me into office for a term of two years. Please rest assured that I will use my best endeavors to further the goals of this Institute.*

*I must also thank our immediate past president, Graeme Hall, for so kindly accepting our invitation to become the editor of our Institute Newsletter which will be published every quarter.*

*One event that is worth highlighting is the reception which was held at the Hong Kong Club about a month ago. The institute hosted a joint reception with the Law Society IP Committee and APAA for Mr Wang Jing Chuan, Commissioner of the State Intellectual Property Office. The event was well attended and we have received positive feedback from our members.*

*The Government has recently published a consultation document on review of the Copyright Ordinance. It solicits the views of the public on improving certain provisions of the Copyright Ordinance. The consultation document sets out and analyses the view for and against the criminal provisions relating to the use of pirated copyright works in the course of business, which became effective in April this year. Members of our Copyright Sub-committee are busy reviewing the consultation document and we will be putting forward our submissions to the Government before the end of the consultation period which is 31 December 2001. If you have any views which you would like us to include in our submissions, please forward them to either myself or Matthew*



*Laight, Chairman of the Copyright sub-committee.*

*A new initiative this year is the training provided to practitioners. The Institute has started running a two-year part time diploma course in trade mark law and practice in conjunction with The Hong Kong University's School of Professional and Continuing Education ("SPACE"). This program started in February this year and the first year's participants will be having their exams in the second half of January 2002. All students will be sitting two exams. The examiners are now busy setting the exam papers. May I take this opportunity to wish all the students who will be sitting the exams the best of luck! The second year will commence next February.*

*Peggy Cheung*

### **Annual General Meeting**

*For those of you who were unable to attend, the Annual General Meeting of the Institute took place on Wednesday September 26 2001 at The Hong Kong Club (by the kind assistance of Nick Horvath). For the first time in a couple of years, this year we had simply an AGM with no EGM and the meeting was therefore fairly routine.*

*Amongst the Council Members, Hilda Lam and Benny Kong stood down and did not seek re-election, while Justin Davidson and Davina Lee both stood for Council for the first time. With an equal number of candidates and vacancies, there was therefore no need for a vote and Council welcomed Justin and Davina.*

*At a brief Council Meeting following the AGM, Peggy Cheung was elected President, and Sandra Gibbons Vice-President. All other office holders remained unchanged, ie Matthew Laight (Treasurer), Steven Birt (Membership Secretary) and Charmaine Koo (Secretary).*

*Following the AGM, in accordance with tradition (of at least 5 years standing!) we had a dinner with a guest speaker. This year as our guest we were honoured to have Peter Cheung from IPD who gave a typically individual talk on the issues facing copyright law in Hong Kong.*



## **Education Programme**

*As mentioned in the President's letter, we are approaching the end of the first year of the Diploma course that the Institute is running in conjunction with SPACE. The students will sit two exams each of two hours on January 26<sup>th</sup> and 31<sup>st</sup> 2002.*

## **PRC - Trademark Law Amended to Facilitate WTO Entry**

*As you probably know, on October 27, 2001, the Standing Committee of the National People's Congress in China enacted several amendments to the PRC Trademark Law. The amendments, which enter into effect on December 1, 2001, were intended primarily to put the law in compliance with the minimum requirements of the TRIPS Agreement of the WTO. China will become a member of the WTO in December 2001. The following are highlights of the amended law. It will be possible to do a more detailed analysis once the Implementing Rules are issued.*

**Enforcement** - *The most significant changes in the revised law relate to enforcement:*

- \* preliminary injunctions will be available in trademark infringement cases brought before civil courts.*
- \* statutory damages up to RMB500,000 (US\$60,000) are possible in cases where the plaintiff's damage or the infringer's profits cannot be determined.*
- \* legal and investigation costs incurred can be recovered in pursuing infringements, provided they are "reasonable".*
- \* Administrative enforcement authorities (mainly the Administrations for Industry and Commerce or "AICs") and civil courts are authorized to confiscate and destroy infringing products and trademark representations and the equipment used to make them.*



- \* *The prior law exempted sellers of infringing goods from civil and administrative liability unless evidence was available that the seller knew or should have known the goods were infringing. Under the new law, these knowledge requirements are eliminated for sellers; but sellers can avoid responsibility for compensating brand owners for damages, provided they are able to demonstrate that the goods came from a legal source and identify the supplier.*
  
- \* *statutory power of the AICs to order compensation has been removed. Brand owners will therefore be required to seek compensation from the People's Courts or through negotiated settlements. The AICs are encouraged under the new law to assist parties in reaching settlements through mediation.*
  
- \* *The AICs will be required to transfer cases for criminal investigation by Chinese police (the Public Security Bureaux or "PSBs") based on suspicion that a crime has been committed.*

*Other changes include:*

*Judicial Review - All cases relating to registration, including trademark applications, oppositions and cancellations, will be subject to judicial review by Chinese courts.*

*Cancellations - Under current law, cancellations against registered marks must be filed within one year where the petitioner claims it owns a similar mark covering similar goods or services. The revised law allows for the filing of such cancellation actions within five years, and it appears to remove the requirement that the petitioner own a similar trademark covering similar goods or services.*

*Well-Known Trademarks - The revised law contains provisions setting out factors for the determination of the "well-known" status of trademarks. The law does not clarify the exact standards for determining whether a foreign mark can achieve well-known status. Under the TRIPS Agreement, such marks need not be "well-known" in China. They merely need to be well-known internationally and have achieved some degree of reputation among relevant consumers inside China.*

*Registrability - The revised law expands the scope of registrable subject matter, including most notably three-dimensional marks. The law also contains provisions on the registration of marks*



*that are inherently indistinctive but that gain distinctiveness through use.*

\* \* \*

*These changes are expected to have a significant impact on trademark owners in the PRC. How the changes will be put into effect should be clearer once the Implementing Rules are issued, which are expected imminently.*

*Jeannie Smith and Joseph Simone, Baker & McKenzie*

### **From the IPD**

*Since we are at the end of the year, here is a cumulative list of all the circulars issued by the IPD in 2001:*

<i>Circular No. 1 of 2001</i>	<i>Updated Lists of Circulars &amp; Index of Decisions</i>
<i>Circular No.2 of 2001</i>	<i>Renewal of United Kingdom Designs Deemed Registered in Hong Kong</i>
<i>Circular No.3 of 2001</i>	<i>Business Hours of Patents Registry for Receiving Certain Patent Application Documents by Facsimile</i>
<i>Circular No.4 of 2001</i>	<i>Review of Gazette Advertisement Charges for Patents and Designs</i>
<i>Circular No.5 of 2001</i>	<i>Renewal of United Kingdom Designs Deemed Registered in Hong Kong</i>
<i>Circular No.6 of 2001</i>	<i>Registering Trade Marks on Honest Concurrent Use</i>

### **Committee News**

*Please remember that if you would like to raise any matters falling within the remit of these sub-committees you are encouraged to contact them at any time. The contact person for each committee is given below:*



*Patents and Designs (Graeme Hall): No activity since the last newsletter.*

*Trade Marks (Peggy Cheung): The trade marks committee is still waiting for the IPD to issue a further draft of the Work Manual and is monitoring progress on the drafting of the Trade Marks Rules. The Trade Marks committee is also considering whether to make submissions to the United Kingdom Trade Marks Registry on the proposed abolition of examination on relative grounds.*

*Copyright (Matthew Laight): As mentioned in the President's letter, the copyright committee is reviewing the Government's recent consultation paper.*

*Internet (Matthew Laight/Jeannie Smith): No issues have been raised recently requiring consideration from the Internet committee. It has been proposed that this committee should take a more pro-active role in raising matters of concern with the IPD. If there are any particular matters that you would like this committee to look, at please contact Matthew or Jeannie.*

*Education (Sandra Gibbons): First year exams for the SPACE Diploma are being prepared.*

### **Dates for your diary**

*ITMA 2002 International Meeting*

*London 20-22 March 2002*

### **News of Members**

*The Institute is pleased to welcome Yvonne Chua and Anne Choi of Wilkinson and Grist as new members, while Justin Davidson (previously a Student Member) has become a full Ordinary Member. Benjamin Wong of Baker & McKenzie and Anne Lee of Richards Butler have become Student Members.*

*Please send any comments about this edition of The Journal, any letters or articles for future*



*issues, to the Editor Graeme Hall at [graemehall@lloydwise.com.hk](mailto:graemehall@lloydwise.com.hk)*

*If any members are not receiving the Journal properly, please advise the Editor in case your contact details are not properly recorded.*

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