

**REVIEW UNDER ARTICLE 24.2 OF THE APPLICATION OF THE
PROVISIONS OF THE SECTION OF THE TRIPS AGREEMENT
ON GEOGRAPHICAL INDICATIONS**

Responses to the Checklist of Questions¹

Addendum

HONG KONG, CHINA

The present document represents the responses to the Checklist which the Secretariat has received from the Hong Kong Economic and Trade Office by means of a communication, dated 4 December 2000.

Hong Kong, China ("HKC") has notified its intellectual property laws to the World Trade Organization under Article 63.2 of the TRIPS Agreement. HKC refers to IP/N/1/HKG/2/Add.1, paragraphs 22.1.0 to 24.9.2 which deal with HKC's compliance with its obligations under Part II, Section 3 of the TRIPS Agreement.

I. RESPONSES TO THE QUESTIONS IN DOCUMENT IP/C/13

A. GENERAL

1. *Is protection for geographical indications provided through unfair competition law, e.g., passing off, false designation of origin; through a formal procedure for notification/registration before protection is available; or through both? Does the recognition of a geographical indication require registration?*

Geographical indications ("GIs") are protected in HKC in a variety of ways. A GI may be protected under trademark law, either by way of registration as an ordinary trademark or as a certification trademark (Trade Marks Ordinance (Cap.43) ("TMO")). It is also possible to protect a GI through the common law action of passing off. Further, it is also a criminal offence to apply a false description to goods. Thus, any false indication of the place of manufacture of goods may constitute an offence (please see the answer given to question 51, post).

2. *Is there one single regime of protection of geographical indications for all products? If not, identify the different regimes.*

There is no single regime for the protection of GIs. Please see the answer to question 1 above.

¹ Documents IP/C/13 and IP/C/13/Add.1.

3. *Do(es) the regime(s) of protection of geographical indications also extend to services?*

Yes.

4. *What provisions of law or regulations are directed to the recognition of geographical indications required by Articles 22.2 and 23.1 of the TRIPS Agreement? Citations to laws should be provided and, if the texts of the laws have not been notified to the WTO, copies should be provided pursuant to Article 63.2.*

The following laws are relevant in connection with Article 22.2:

- An aggrieved party may begin an action for passing off under the common law to prevent the misleading use of a GI. Furthermore, the action of "passing off" is preserved under Section 36 of the TMO. Thus, any trader misrepresenting his goods as those of another trader who has acquired a reputation, causing loss to the other trader, faces an action for passing off. The distinctiveness of a plaintiff's goodwill in his business can derive from his name, his mark, a description or the get-up of his goods. The owner of a certification trademark may bring an action under Section 67 of the TMO in respect of any infringement.
- The use of a misleading GI may also constitute an offence under the Trade Descriptions Ordinance (Cap.362) ("TDO"), where it is an offence for someone to apply a false description to any goods. The TDO defines, in Section 2, a "trade description" as, *inter alia*, an indication, direct or indirect, and by whatever means given, of any of the following matters with respect to any goods or part of goods [.....] method of manufacture, production, processing or reconditioning [.....] approval by any person or conformity with a type approved by any person [.....] place or date of production [.....] person by whom produced [.....] other history including previous ownership or use. A trade description is false if it is false to a material degree. It is an offence, pursuant to Section 7 of the TDO, in the course of any trade or business, to apply a false trade description to goods, or to supply or offer to supply any goods to which a false trade description is applied, or to possess such goods. Pursuant to Section 12, it is also an offence to import or export any goods to which a false trade description is applied.
- The relevant provisions of the TDO accordingly exceeds the protection required under Article 22(2)(a) in that the criminal offences are not restricted to goods from a region or locality where a given quality, reputation or other characteristic of the good is essentially attributable to its geographic origin, but extends to any false description of origin.
- To facilitate the prosecution of importers who import goods bearing a false description of origin of the goods, a presumption is provided in Section 24A of the TDO that evidence that the goods were imported from a country is prima facie evidence that the goods were produced in that country. Thus, the prosecution would not have the burden of proving where the goods originated, simply relying on the country from which they were imported.

The following laws are relevant in connection with Article 23.1:

- Under Section 12(1) of the TMO it is not lawful to register a trademark which would be likely to deceive. Section 12(1) may therefore be used to prevent the registration

of a trademark, where such a registration is deceptive. This is true whether the application is for an ordinary trademark or a certification trademark.

- The action for passing off is also available for anyone who wishes to stop the use of a GI where the true origin of the goods has been stated or is used with words like "kind", "type", "style", "imitation". See, e.g., *J. Bollinger v The Costa Brava Wine Co* [1961] RPC 116, where an attempt to use the words "Spanish Champagne" led to the granting of an injunction for passing off in the face of "Champagne" wine produced in the district of Champagne in France. There is also the *Taittinger v Allbev* [1993] FSR 641, where a passing off action succeeded against Elderflower Champagne.
- Reference should also be made to the TDO. This makes it an offence to apply a false description to goods, or to supply or offer to supply any goods to which a false description is applied. Use of words like "style", etc., would not, however, give rise to criminal offences as the description that the wine is of a named style is unlikely to be false.

5. *If the required recognition of geographical indications is not provided through statutes or regulations, please explain, in detail, the mechanism or mechanisms through which the protection required is provided.*

N/A.

6. *Please provide a few examples of domestic geographical indications protected in accordance with the means discussed above and indicate the means by which such protection is provided.*

- HKC has not registered any of its own GIs either as ordinary or certification trademarks.
- Some applicants from other countries have made applications to HKC for ordinary trademarks which incorporate GIs. Such applications are liable to fall foul of Section 9(1)(d) of the TMO which provides that a mark to be registerable in Part A must consist of "a word or words having no direct reference to the character or quality of the goods or services, as the case may be, and not being according to its ordinary signification a geographical name or a surname".
- The Registrar of Trade Marks does not reject such marks, provided there is a distinctive element in the mark. In these cases, the Registrar requires that part of the mark which is a GI be disclaimed and may also impose a condition of origin (so as to avoid deception). Examples of these marks registered in HKC are :

Condition

- | | |
|---|---|
| "Courvoisier Le Cognac de Napoleon" for cognac brandy | - It is a condition of registration that the mark shall be used only on Cognac brandy produced in France. |
| | - The words "Le Cognac de Napoleon" have been totally disclaimed. |
| "Champagne de Venoge" for champagne | - It is a condition of registration that the trademark shall be used only on champagne produced in Epernay, France. |

7. *Is the higher level of protection required for wines and spirits under Article 23.2 of the TRIPS Agreement provided for any other product? If so, please specify such products and the law under which they are protected.*

Article 23.2 corresponds to Article 22.3 but applies specifically to indications identifying wines and spirits. The same protection is provided in respect of Articles 22.3 and 23.2, namely:

- A party may oppose the registration of a misleading GI as a trademark or certification trademark under the TMO, and may rectify the register if such a mark has been registered.
- Section 12(1) of the TMO may be used to oppose the registration of a trademark on the grounds that it is deceptive. Section 20 of the TMO can be used if there are prior registered marks which conflict with the mark applied for. A registered trademark which is deceptive, or has become deceptive, may be removed from the Register under Section 48(1)(a) of the TMO (any "entry made in the register without sufficient cause", or "any entry wrongly remaining on the register").
- Under Section 68 of the TMO, the entry of a certification trademark may be varied or expunged by the Registrar of Trade Marks, or the court, if it can be shown, *inter alia*, that the proprietor is no longer competent to certify the goods, or it is no longer to the public advantage that the mark should be registered.
- The action for passing off may also be used to restrain the use of a GI which is misleading.
- The TDO also makes it an offence to apply a false description to goods, or to supply or offer to supply any goods to which a false description is applied.

B. DEFINITION AND CRITERIA FOR RECOGNITION

8. *How are geographical indications defined?*

- What constitutes a GI is a question of fact to be decided on a case by case basis. The essence of a GI is defined in Article 22(1) of the TRIPS Agreement. The link between origin and quality, reputation or other characteristic of the good is made. There is under current Hong Kong trademark law no special definition of a GI. Section 3(2) of the new Trade Marks Ordinance (which HKC passed on 16 June 2000, but has not yet been brought into force) makes it clear, however, that a trademark may consist of an indication. "Indication" is not specifically defined. There are, however, a number of legal definitions which are useful to the owners of GIs. These are definitions of a certification trademark under the current TMO, and the definition of trade description under the TDO.
- It is possible under the TMO to register a GI as a certification trademark (Section 64), which is defined as a mark "adapted in relation to any goods to distinguish in the course of trade goods certified by any person in respect of origin, material, mode of manufacture, quality, accuracy or other characteristic, from goods not so certified". Regulations governing the use of a certification trademark must be supplied by an applicant detailing, *inter alia*, the characteristics to be certified.

- Section 2 of the TDO is also relevant. "Trade description" means: "an indication, direct or indirect, and by whatever means given, of any of the following matters with respect of any goods or parts of goods, that is to say –
[...]
- (h) place or date of manufacture production, processing or reconditioning
- (i) person by whom manufactured, produced, processed or reconditioned."

9. *Would such a definition comprise geographical indications identifying products of a certain quality or reputation which are indirectly linked to a specific region?*

There is no specific definition of a GI under HKC's current trademark law. The definition of trademark as including an "indication" under the new Trade Marks Ordinance is a very broad one, and could extend to GIs which are directly or indirectly linked to a specific region.

10. *In determining whether recognition should be given a geographical indication, what criteria are considered?*

Please see the answer to question 8 above.

11. *Is there any human creativity involved in the making of specific products under protection by the system of geographical indications? If so, how much? And do these products involve any human factors?*

There is no specific definition of a GI under HKC's present trademark law (nor any such definition contemplated under the new Trade Marks Ordinance). It is thus difficult to quantify, for the purposes of HKC's law, the amount of human creativity or other human factors involved.

12. *Are there any other intellectual property rights involved, such as patents for example?*

The normal route in HKC for the protection of GIs would be through the common law of passing off and trademark law. Whether other intellectual property rights are involved must depend on the facts. For example, the creation of a new GI which involves a logo might attract copyright protection, but it would have to fall within Section 4 of the Copyright Ordinance which, *inter alia*, defines copyright as a property right subsisting in "original literary, dramatic, musical or artistic works". It is difficult to see how patent law can be relevant for GIs. Section 93 of HKC's Patents Ordinance states that an invention is patentable if "it is susceptible of industrial application, is new and involves an inventive step" (Section 93(1)).

13. *What authority, if any, may define the geographic region or area for which rights are claimed and on what basis is such definition made?*

There is no such authority in HKC. An application for a certification trademark in HKC may be made on behalf of an association in a foreign country which has the power to define a particular region or area for which rights are claimed.

14. *Does your legislation contain criteria for homonymous geographical indications for wines?*

There is no specific legislation in HKC dealing with homonymous geographical indications for wines. There is a general provision in the TMO enabling a trademark to be registered if it complies with the provisions relating to concurrent use (Section 22).

15. *Does your national legislation provide for recognition and protection of geographical indications or appellations of origin of foreign countries?*

There is no specific legislation in HKC to such recognition. Geographical indications or appellations of origin seeking protection in HKC would have to do so through TMO, the TDO or the common law of passing off. Please see the answer given to question 1 above.

16. *Is there any specific prohibition in the legislation/regulations/ rules/procedures covering geographical indications not protected in the country of origin? If so, please specify the relevant statutory provision.*

None.

C. PROCEDURE FOR RECOGNITION

17. *With respect to any formal system for recognition of geographical indications, must the applicant be a governmental organization or can a private entity own the rights to a geographical indication?*

There is no formal system for the recognition of GIs. An application for a trademark (including a certification trademark) may be made by a government organization or a private entity.

18. *What are the competent authorities where the protection of a geographical indication can be obtained?*

Applications for a trademark (if that is the route sought for the protection of a GI) should be made to the Trade Marks Registry, which is situated at the Intellectual Property Department, HKC. Where protection is sought, e.g., under the law of passing off, an action must be commenced through the Hong Kong courts.

19. *Do the procedures which lead to the recognition of a geographical indication take place ex officio or must they be based on the initiative of an entity or person?*

There must be an initiative by an entity or a person. This could be, e.g., an application to the Trade Marks Registry to register a trademark (including a certification trademark), or an action for passing off commenced through the Hong Kong Courts.

20. *What, if any, fees are involved in the application and maintenance of rights in a geographical indication?*

Fees are only involved where the route chosen for the protection of GIs is through a trademark registration. The fee for a trademark application is HK\$1,400. A fee of HK\$2,000 is payable for the registration of a trademark. A fee of HK\$4,100 is payable upon the renewal of a trademark after the expiry of its term.

21. *If criteria must be set out in an application for recognition of a geographical indication, are those criteria purely geographic in nature?*

No specific criteria applicable only to GIs exist under the current HKC law. (Please see the answer to question 8 above).

22. *What other criteria, if any, must be set out in an application for recognition of a geographical indication?*

Please see the answer given to question 21 above.

23. *What information must be supplied in an application for rights in a geographical indication?*

Please see the answer given to question 21 above.

24. *Must the goods or services with respect to which a geographical indication is claimed be set out?*

An attempt to protect a GI by an application for a trademark (including a certification trademark) must set out the goods or services for which the mark is applied for.

25. *What mechanisms are provided to oppose the recognition of a geographical indication? How is an investigation conducted after such a complaint?*

- A trademark application (incorporating a GI) approved by the Registrar of Trade Marks is advertised in the Government Gazette. At this stage, any member of the public has the right to oppose the registration of such a mark. Opposition proceedings are judicial proceedings before the Registrar of Trade Marks, who has to decide between the claims of the applicant and the opponent. Such proceedings are governed by the provisions of the TMO (Section 15).
- Even after a trademark has been registered, it is possible for any member of the public to revoke the registration of a mark on the grounds that, e.g., the entry of the mark onto the Trade Marks Register was one wrongly remaining on the Register, or an entry made in the Register without sufficient cause.

26. *Who can oppose the recognition of a geographical indication?*

Anyone can oppose the registration of a trademark (including a certification trademark) involving a GI or which incorporates a GI.

27. *If your national legislation provides for recognition and protection of geographical indications or appellations of origin of foreign countries, what is the procedure that has to be followed in order to obtain such recognition and consequent protection?*

There is no specific legislation in HKC relating to the protection of GIs or appellations of origin. (Please see the answers to questions 8 and 21).

D. MAINTENANCE

28. *How long does recognition for a geographical indication continue?*

- If a GI has been protected by way of a registration of a trademark under the TMO, the protection is, in theory, indefinite subject to the payment of a fee to renew the registration of a trademark. Under the TMO, a trademark is registered for an initial period of 7 years, and thereafter for a period of 14 years. The new Trade Marks Ordinance will provide for a 10 year period of registration whereupon the mark can be renewed. The renewal period is also a 10 year period.
- Where the common law of passing off is resorted to, an owner of a GI has to take a court action each time he feels that his rights are being challenged.

29. *If recognition of a geographical indication must be renewed or reaffirmed, what information must be provided in order to effect such a renewal or reaffirmation? Specify any fees involved in renewal or reaffirmation.*

Please see the answer given to questions 20 and 28 above.

30. *Must a geographical indication be used in order to maintain rights? If so, how is such use determined?*

A GI that has been registered as a trademark (not being a certification trademark) under the TMO has to be used. If there has been no bona fide use for a five year period, the mark may be revoked for non-use by proprietors (Section 37). This is not the case where the GI has been registered under the TMO as a certification trademark, as Section 37 does not apply in relation to a certification trademark.

31. *Is there a specified limit for non-use before rights in a geographical indication cease and, if so, what is that limit?*

Please see the answer to question 30 above.

32. *Who monitors the use of geographical indications to determine if the criteria identified in the application continue to be met?*

The proprietor of a GI registered under the TMO as a certification trademark normally sanctions the use of the certification trademark by others. It is the responsibility of the proprietor to see that the certification trademark is being properly used. This can be compared with the situation of a trademark (other than a certification trademark) registered under the TMO. Such a trademark may be used by a third party by way of a registered user agreement. In these cases, it is the registered proprietor who should monitor the use of a registered user agreement.

33. *If a government entity is responsible for monitoring the use of geographical indications, what are its procedures for doing so?*

There is no government entity in HKC that monitors the use of GIs.

34. *Are there means by which interested parties may request termination of a geographical indication based on non-use or failure to maintain the criteria identified in the application? Describe the procedure.*

Please see the answer to questions 25 and 30 above.

35. *Do the procedures which lead to forfeiture of a geographical indication take place ex officio or must they be based on the initiative of an entity or person?*

The revocation of a trademark (incorporating a GI) that has already been registered depends on the initiative of a third party. The rejection of an application for a trademark on the ground, e.g., that it is deceptive, may be taken by the Registrar of Trade Marks (Section 12(1) of the TMO).

E. SCOPE OF RIGHTS AND USE

36. *May anyone who meets the criteria submitted to obtain recognition of a geographical indication use that geographical indication after recognition is given or must additional criteria or procedures be followed by that party before use is permitted?*

There is no separate Register of GIs in HKC. As previously mentioned, it is possible to protect a GI by way of a certification trademark under the TMO. A proprietor of such a GI would normally have to produce Regulations to the Registrar of Trade Marks showing who can use the mark. Someone who satisfies the criteria set out in the Regulations would be allowed by the proprietor of the certification trademark to use the mark.

37. *Who makes the determination regarding use of a geographical indication by particular parties, the entity responsible for the recognition or the entity that obtained the recognition?*

In the case of a registered certification trademark or even in the case of a registered trademark, it is the entity obtaining the recognition that will decide whether other parties may be permitted to use the mark.

38. *Are there fees involved in receiving authorization to use a particular geographical indication and, if so, what are those fees and how are they established?*

Whether a fee is charged for the use of a certification trademark depends on the proprietor of the certification trademark, and what he has put into the Regulations.

39. *If there is a dispute regarding use of a geographical indication by a particular party, what procedures are followed to resolve it?*

Where a GI has been protected by way of a certification trademark registered under the TMO, disputes may arise as to the use of this mark between the proprietor of the certification trademark and someone authorized to use the mark. In such a case, an aggrieved person may apply to the Registrar of Trade Marks to vary the Regulations under which the certification trademark is used. (Rule 56 of the Trade Marks Rules, Cap.43.) Where the GI has not been registered as a GI, a dispute as to who is entitled to use such a GI may be resolved by passing off action under the common law.

40. *Must individual authorized users of a geographical indication use that geographical indication continually to retain their right to use it and, if so, how is their use determined and how long will disuse be permitted?*

The use of a GI registered as a certification trademark will be governed by what is stated in the Regulations regarding such a mark. It will be recalled that a certification trademark cannot be revoked for non-use. This is to be contrasted with the situation in respect of a trademark (other than a certification trademark) registered under the TMO. Such a mark may be used by someone other than the registered proprietor by way of registered user. However, non-use of such a mark for a period of five years may lead to such a mark being revoked for non-use. It is for the proprietor of the mark to ensure that his mark is being used by the registered user.

41. *If there is a dispute over continuity of use by a particular party, how is it resolved?*

Please see the answers to questions 32 and 40 above.

42. *Does the regime for protection of geographical indications allow geographical indications to be licensed and, if so, what conditions are imposed on such licenses? If such conditions are not met, what is the effect on the geographical indication?*

Certification trademarks under the TMO cannot be licensed. However, the law enables a certification trademark to be used by a third party. (See the position in respect of other marks registerable under the TMO in the answer to question 40 above.)

43. *How is "grandfathered use" of a geographical indication, under Article 24.4 of the TRIPS Agreement, applied in your country?*

HKC has no such provision in its laws.

F. RELATIONSHIP TO TRADEMARKS

44. *What steps are taken to ensure that, in recognizing a geographical indication, the obligations of Article 16.1 of the TRIPS Agreement are not nullified and impaired?*

The recognition of GIs in HKC depends on the TMO or on the common law of passing off. There is no separate Register of GIs. The protection of a GI has to be dealt with within the confines of the TMO, or the law of passing off. There is therefore no way that a separate registration of a GI under a *sui generis* GI system can prejudice the registration of a registered trademark under the TMO.

45. *What steps are taken to ensure that, in recognizing a geographical indication, the obligations of Article 16.2 and 16.3 of the TRIPS Agreement are not nullified and impaired?*

Please see the answer to question 44 above.

46. *What procedures are foreseen in case of a conflict of a geographical indication with a trademark?*

Since HKC's system is based on trademark registration or the common law, and not a *sui generis* system for GI, there is no conflict. Where the owner of a GI feels aggrieved at the registration of a trademark under the TMO, he may seek to rectify the Trade Marks Register to effect the removal of the trademark.

G. ENFORCEMENT

47. *How are rights in the geographical indication enforced? Are provisions available under unfair competition law? Trademark law? Other laws? Provide citations to the laws and, if they have not been notified under Article 63.2 of the TRIPS Agreement, please provide copies.*

See generally above. There is no specific unfair competition law in HKC. GIs can be enforced through registration as a trademark or certification trademark under the TMO; by way of passing off for unregistered marks; and through prosecution (upon complaint to the Customs & Excise Department, HKC) for any breach of the TDO (this being a criminal offence). HKC has notified its IP laws to the WTO. Please see IP/N/1/HKG/2/Add.1 and IP/N/6/HKG/1.

48. *Who has the right to enforce a geographical indication?*

The proprietor of the GI (whether under the law of passing off or as the proprietor of a trademark or certification trademark) has the right to enforce a GI.

49. *What judicial or administrative bodies have jurisdiction over enforcement actions related to geographical indications? Are there fees involved and, if so, what are those fees?*

Administrative bodies do not have jurisdiction over enforcement action. An enforcement action for a trademark infringement or a passing off action would normally be brought in the Court of First Instance. The fees for issuing a writ for trademark infringement or for passing off is HK\$1,045.

50. *Must the public be notified of the existence of a geographical indication and, if so, how and how often?*

No.

51. *Is unauthorized use of a geographical indication subject to criminal action and, if so, describe the procedures. If the law has not been notified pursuant to Article 63.2 of the TRIPS Agreement, please provide a copy.*

The unauthorized use of a GI may be a criminal offence. It is an offence under the TDO to apply a false trade description to goods. Thus, any false indication of the place of manufacture of goods is an offence which carries a maximum penalty on a conviction on indictment to a fine of HK\$500,000 and imprisonment for five years, and on summary conviction to a fine of HK\$100,000 and imprisonment for two years.

H. INTERNATIONAL AGREEMENTS

52. *Is your government party to an international, including bilateral or plurilateral, agreement for the notification and/or registration of geographical indications? If so, please name the international agreement and explain the relationship between it and your national legislation.*

HKC is not a party to any international or bilateral agreement on GIs.

53. *What other international agreements, if any, have been entered into? What do those agreements provide?*

Please see the answer to question 52 above.

II. RESPONSES TO THE QUESTIONS IN DOCUMENT IP/C/13/ADD.1

A. GENERAL (SECTION A OF DOCUMENT IP/C/13)

1. *Does your economy's industrial property law and/or related law prevent the use of geographical indications identifying wines or spirits against products not originating in the place indicated by the geographical indication, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like?*

Please see the answer to question 4 under I above.

B. DEFINITION AND CRITERIA FOR RECOGNITION (SECTION B OF DOCUMENT IP/C/13)

2. *Is there a clear distinction among the terms "geographical indications", "appellations of origin" and "indications of source" in your economy's industrial property law and/or related law, or are there any substantive criteria to distinguish these terms?*

No.

3. *Does your legislation contain criteria for homonymous geographical indications for wines and spirits?*

No.

C. RELATIONSHIP TO TRADEMARKS (SECTION F OF DOCUMENT IP/C/13)

4. *Does your economy's industrial property law and/or related law provide the refusal or invalidation of a trademark registration, which consists of or contains geographical indications*

identifying wines or spirits with respect of such wines or spirits not originating in the indicated territory?

A trademark application or the registration of a trademark can be challenged on the ground that its registration is or would be deceptive (Section 12(1) of the TMO).
