

**The Hong Kong
Institute of
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Submission of the Hong Kong Institute of Trade Mark Practitioners on the proposed Copyright Tribunal Rules

Dear Sirs

We refer to the Consultation Paper issued by the Government on 9 December 2014, inviting the submission of views on a set of new rules for regulating proceedings before the Copyright Tribunal to replace the Copyright Tribunal Rules (Cap.528C) currently in force.

We set out below the comments of the HKITMP.

HKITMP Background

A. The Hong Kong Institute of Trade Mark Practitioners ("HKITMP") was formed in 1988 with the aim of protecting the interests of those who are engaged in the trade mark profession in Hong Kong. However, as many of our members are general intellectual property practitioners, who on a day-to-day basis engage in not only trade mark matters, but also copyright, patents and designs, the HKITMP's membership and its interests have evolved to cover all of these areas.

B. The HKITMP also has regular meetings with the Intellectual Property Department ("IPD") in Hong Kong, to exchange views and ideas on everyday practice, and to pass on recommendations for any changes in Hong Kong's intellectual property laws that may be required out of the practical issues arising in day-to-day practice.

C. The HKITMP regularly circulates its members with information about meetings with the IPD, IPD circulars on practice, details of seminars, and welcomes comments from its members about intellectual property law and practice in Hong Kong. The HKITMP acts as a conduit and sounding board, and helps to air views of the professionals in Hong Kong who actually engage in hands on trade mark, patent, copyright and other intellectual property works.

D. This submission on behalf of the HKITMP has been prepared by the HKITMP's Copyright Committee, who have particular expertise and practice in the field of copyright.

E. The views expressed are from a legal and policy perspective in our capacity as solicitors and intellectual property law practitioners, acting independently, without regard to the views of any particular body or organization.

The Proposals

Principles of civil justice reform

1. We note that the Draft Rules expressly set out the underlying objectives of the Civil Justice Reform. The Draft Rules provide that the Tribunal must seek to give effect to the underlying objectives when it exercises any of its powers or interprets any of the rules and the parties and their representatives must also assist the Tribunal to further the underlying objectives of the rules.
2. However, given that the proceedings before the Tribunal are intended to be less formal than court proceedings, the Government believes that it is not appropriate for the Draft Rules to follow entirely the practice and procedure of the courts. The main aspects of the Civil Justice Reforms that are adopted in the Draft Rules relate to active case management, use of statements of truth to verify the claims of the parties and encouraging the use of mediation as a means of dispute resolution.
3. *The Institute welcomes the decision to apply the underlying principles of civil justice reforms, but not to align the Tribunal Rules too closely to the actual civil procedure rules as set out in the White Book, since these can be complicated and may increase costs and deter some from using the Tribunal.*

Standardized procedures and forms

4. The Draft Rules set down one standardized set of procedures and forms fit for all types of applications/references. The intention is to streamline the procedure thereby making the Tribunal more accessible to users, particularly unrepresented litigants.
5. The Draft Rules provide standard forms for making an application, a response and a request for leave to intervene respectively. The standard forms are devised to be simple and precise. The items on each form are generally neutral and applicable to different types of proceedings and scenarios.
6. *The Institute supports a system which is as simple and straightforward as possible. However, on a review of Schedules 1-3, we believe that the forms are still quite*

complicated and may be difficult for unrepresented litigants to understand. For example, the form refers to an "originator" rather than an "applicant" which could be confusing, and requires the originator to tick whether the application is "inter partes" or "ex parte" which unrepresented parties will not understand. Also, the definition of "originator" is contained in a footnote which lists potential applications under various sections of the Copyright Ordinance without explanation, which assumes that the applicant is familiar with copyright law and the Copyright Ordinance. Perhaps there could be some further simplification and more guidance?

7. *Related to this issue, during the previous consultation in 2009, the Institute had been in favour of considering a fast track system for simple cases of low financial value in order to improve accessibility for small businesses and individuals. We understand that the UK Copyright Tribunal Rules 2010 allow the Tribunal to allocate applications to a "small applications track" taking into account issues including the financial value of the application and the complexity of the facts, legal issues and relief requested. Was this considered for Hong Kong and is there a reason that this has not been proposed? (Please see our comments in paragraph 6 above regarding simplicity). We note that the Rules do take account of the Civil Justice Reforms underlying objectives, and propose to adopt case management flexibility, which means that the Tribunal should have the power to fast track and simplify low value cases. However, is there a reason that this is not specifically provided for?*

Active case management

8. The Draft Rules require the Tribunal to actively manage cases and empowers the Tribunal to make specified orders or directions, as well as any other orders or directions it thinks fit to secure the just, expeditious and economical conduct of the proceedings and set out what "active case management" includes. This power can be exercised at any stage of the proceedings, whether on the Tribunal's own initiative or at the request of a party to the proceedings.
9. Other relevant provisions include rules empowering the Tribunal to direct rectification of a defective application, reject an application, to deal with requests for amendment or withdrawal of an application and to make awards on different issues. We also note important new powers to give directions in relation to evidence including expert evidence and to make costs orders, in cases where a party has contravened a requirement of an order or direction made by the Tribunal.
10. *The Institute supports the proposed active case management measures and hopes that the enhanced powers can be used in a flexible and robust manner to reduce the costs and delays associated with more complex copyright disputes. We encourage the Tribunal to develop its own set of self-contained rules or "Practice Directions" (and see our*

comments from paragraph 15 below) to contain tailor-made provisions to reflect practices and procedures applicable to proceedings before the Tribunal, and to provide further guidance to parties.

Alternative Dispute Resolution (ADR)

11. The Draft Rules provide that the Tribunal may encourage and facilitate use of ADR, in particular, mediation in appropriate cases only. We understand that it is not the Government's policy intent to make mediation compulsory for every proceeding before the Tribunal as mediation may not be appropriate for resolving some disputes. Therefore, no cost sanction will be imposed should the parties fail to mediate.

12. *The Institute welcomes this proposal as ADR was an issue where there was some difference of opinion between members during the original consultation. Encouraging and facilitating the use of ADR in appropriate cases is in line with the principle of active case management, and giving the Tribunal the power to assist the parties in the appointment of a mediator is helpful. However, although we also agree that it should not be compulsory to require mediation, there is still broad support for making "considering settlement/mediation" a required procedural step. The Draft Rules should still provide flexibility for the Tribunal to do this.*

Single member adjudication

13. The Draft Rules provide that all interlocutory applications may generally be heard by a single member of the Tribunal who will also be empowered to exercise active case management. According to the Draft Rules, interlocutory applications may be heard and determined singly by the Chairman, the Deputy Chairman or a suitably qualified ordinary member appointed by the Chairman, who must be qualified for appointment as a District Judge under section 5 of the District Court Ordinance (Cap. 336).

14. *The Institute welcomes the proposal to allow interlocutory matters to be dealt with by a single Tribunal member who must be qualified to be appointed as a District Judge. This should allow for more flexible and efficient disposal of such proceedings. However, as mentioned in our submission in relation to the 2009 consultation, it would be helpful if key members of the Tribunal could also be experienced in copyright matters. Copyright is a complex area of intellectual property law and we believe that expertise in this area would encourage use of the Tribunal. Digital copyright and other advances in technology only mean that the issues that the Tribunal may have to decide will become more complex. In the UK, high profile cases such as **British Phonographic Industry Limited (and various online and mobile providers) v MCPS and PRS [CT84-90/05]** and*

Meltwater Holding BV v NLA Ltd [CT114/09] decisions were decided by the UK Copyright Tribunal.

Practice Directions

15. The Draft Rules provide that the Tribunal may regulate its own procedure and issue guidelines setting out the practice and procedure. We understand that it is not the Government's policy intent to make the use of practice directions mandatory. However, the practice directions will be *administrative guidelines* only and will complement the Draft Rules rather than providing another distinct set of procedural rules.

16. *This is another area where there was a difference of opinion during the original consultation with some practitioners favouring making the Rules as comprehensive as possible to avoid the need for additional practice directions. Some saw no need as reference could simply be made to the court procedure, whilst others favoured a more flexible approach.*

17. *We understand that the legislative intent is to provide a flexible, convenient and cost-effective mechanism and, whilst the Tribunal will have regard to the Civil Justice Reforms, the Tribunal will not be obliged to follow the practice and procedure of the courts too closely, and may adopt simpler procedures where appropriate. On this basis, we support the proposal to empower the Tribunal to issue Practice Directions where appropriate, rather than be forced to follow the White Book. Please also see our comments at paragraph 21 below.*

Self-contained rules

18. The Draft Rules are to be self-contained and will no longer have direct links or cross-references to the Arbitration Ordinance. There are express provisions addressing different aspects that may arise in proceedings.

19. *The Institute agrees with this approach which is much more user-friendly.*

20. The Draft Rules also empower the Tribunal to give directions on issues such as the preservation of evidence by parties, disclosure of documents between parties and payment of security for costs, awards on different issues, correcting and clarifying its decisions and enforcement of its decisions. The Draft Rules also discuss in detail the Tribunal's power regarding evidence.

21. *The Institute welcomes the proposal to allow the Tribunal greater flexibility to give directions on such issues. See our comments at paragraph 10 above.*

HKITMP
HKITMP – Feb 2015