(Question Serial No. 2544)

Head: (78) Intellectual Property Department

Subhead (No. & title): ( )

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Programme (2), it is mentioned in “Matters Requiring Special Attention in 2015-16” that the Intellectual Property Department will organise promotion and education activities specially for SMEs with emphasis placed on IP protection and management. Please advise this Committee of the details of the activities, as well as the expenditure and manpower required. How effective are such efforts in recent years? Will the Administration step up the promotional work?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 38)

Reply:

In 2015-16, the Intellectual Property Department (IPD) has earmarked about $2.55 million for promotion and education efforts targeted at the business sector (including small and medium enterprises (SMEs), business associations, IP intermediaries, etc.

SMEs remain one of the prime targets of our promotion and education efforts. Through seminars and exhibitions organised by IPD or in collaboration with others, we will continue to help SMEs understand the importance of protecting their IP rights and raise their awareness of innovation and IP management. These activities also support SMEs to explore potential IP solutions to further develop and expand their business, such as the types of IP that may be available for sale or exploitation in their target markets. In 2015-16, the promotional activities that IPD will carry out include:

(i) co-organising the “Business of IP Asia Forum” with the Hong Kong Trade Development Council and the Hong Kong Design Centre;

(ii) participating actively in major exhibitions and seminars for SMEs held in Hong Kong, such as the “Entrepreneur Day”, “Hong Kong International Licensing Show” and exhibition held during the same time as the “Business of IP Asia Forum”; and
(iii) co-organising promotional activities, such as seminars, exchange activities, with various business associations, to brief SMEs on the latest information on IP rights as well as issues on the protection and management of IP rights and distributing related booklets on these occasions.

To help the business sector (including SMEs, business associations, IP intermediaries, etc.) strengthen protection and management of their IP rights on the Mainland, IPD maintains close co-operation with the Mainland authorities responsible for IP protection. In 2015-16, IPD will organise the following promotional activities:

(i) continuing to co-organise the “Mainland, Hong Kong SAR and Macao SAR Intellectual Property Symposium” with the State Intellectual Property Office and the Macao Economic Services to keep the business sector abreast of the latest development of IP protection in the three places; and

(ii) continuing to co-organise activities with the IP authorities in Guangdong Province under the framework of the “Guangdong/Hong Kong Expert Group on the Protection of IP Rights” to promote and publicise the importance of IP protection and management as well as the concept of IP trading. Such activities will include organising thematic seminars, and updating and enriching the content of the “Intellectual Property Database for Guangdong, Hong Kong and Macao” (www.ip-prd.net) as well as the “Guangdong/Hong Kong IP Co-operation Corner”, “Mainland Enterprises Corner” and “Mainland and Hong Kong Trademark Column” on IPD’s website (www.ipd.gov.hk), with a view to providing the business sector with information about IP protection in the three places including laws and regulations, registration procedures, law enforcement, and promotion and education activities. IPD will also continue to organise exchange activities to enable the business sector to establish connections with the IP authorities and business sector on the Mainland.

For manpower arrangement, the implementation of the above measures is mainly supported by the Marketing Division of IPD. The Marketing Division currently comprises 9 staff members who are responsible for undertaking different areas of promotion and education work of IP and carrying work in relation to the promotion of IP trading.

In addition to the above, to promote Hong Kong as a premier intellectual property (IP) trading hub in the region, $23 million would be specifically set aside in the coming three years to support a number of new initiatives, for example:

(i) launching the official IP Consultation Service Scheme to provide free initial IP consultation services to SMEs, having regard to the result of a pilot scheme;
(ii) organising and sponsoring IP manpower training;
(iii) promoting the development of highly specialised IP intermediary services (such as IP valuation and due diligence, and IP arbitration and mediation); and
(iv) launching of promotion and public education campaigns earmarked in the coming three years.

These new initiatives will in different ways benefit the business community (including SMEs) in raising awareness in IP protection, management and exploitation.
IPD has conducted 6 rounds of “Survey on Business Attitudes to Intellectual Property” since 2004 to examine the current level of awareness and attitude of the business sector towards IP rights protection, as well as to evaluate the effectiveness of its promotion and education efforts targeted at the business sector. According to the findings of the survey announced in 2013, nearly two-thirds of the business establishments interviewed considered the promotional activities held by IPD effective in raising the awareness of Hong Kong businesses on IP rights protection.

- End -
(Question Serial No. 1601)

Head: (78) Intellectual Property Department

Subhead (No. & title): ( )

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government inform this Committee of:

1. the work progress and details of the development strategies upon the endorsement of the overall strategic framework by the Working Group on Intellectual Property Trading (Working Group) in November 2013;

2. the actual expenditure of the Working Group for the past 2 years; and

3. the details of the estimated expenditure of the Working Group for 2015, including the relevant expenditure on manpower, promotional activities, education and external collaboration efforts?

Asked by: Hon IP LAU Suk-yee, Regina (Member Question No. 58)

Reply:

Set up in March 2013, the Working Group on Intellectual Property (IP) Trading (Working Group) has worked intensively to study and advise on the promotion of IP trading in Hong Kong. In November 2013, the Working Group promulgated a strategic framework (Framework) for forging ahead the development of IP trading. The Framework covers four strategic areas, namely enhancing the IP protection regime; supporting IP creation and exploitation; fostering IP intermediary services and manpower capacity; and pursuing promotion, education and external collaboration efforts.

Actions thus far

In line with the deliberations and advice of the Working Group, various actions have been underway, for example -

(i) enhancing our IP regime –
we are implementing an “Original Grant Patent” (OGP) system, and are drawing up the requisite amendments to the Patents Ordinance (Cap 514) to provide for the legal framework of the OGP system. Subject to progress, we aim at introducing a bill into the Legislative Council in the first half of this year and launching the OGP system in 2016-17 at the earliest;

we introduced the Copyright (Amendment) Bill 2014 into the Legislative Council in June 2014, which seeks to strengthen copyright protection in the digital environment, and safeguard users' freedom of expression. A Bills Committee is scrutinizing the Bill with our full support;

we carried out a consultation exercise from November 2014 to February 2015 on the proposed application of the Madrid Protocol to Hong Kong, which may enable trade mark owners to enjoy the convenience of one-stop service in seeking trade mark protection and manage their trade mark portfolio in multiple countries. Taking into account the consultation outcome, the Government will set out the best way forward;

(ii) supporting IP creation and exploitation –

the Intellectual Property Department (IPD), in collaboration with the IP Committee of the Law Society of Hong Kong (Law Society), launched in December 2014 a 6-month pilot scheme to provide IP consultation services to small and medium-sized enterprises (SMEs). The Hong Kong Trade Development Council (HKTDC) has also broadened the scope of its existing advisory services to help SMEs make better use of their IP;

the Innovation and Technology Commission (ITC), through the $5 billion Innovation and Technology Fund, has been financing projects that contribute to innovation and technology upgrading and development. In 2014, ITC launched new improvement measures to promote private sector research and development (R&D), commercialisation of R&D outcomes, and their application in the public sector;

(iii) fostering IP intermediary services and manpower capacity –

HKTDC launched the Asia IP Exchange (AsiaIPEX), an online IP trading portal, in December 2013 to enhance Hong Kong’s online IP trading volume, capabilities and connections. As at end-February 2015, AsiaIPEX has formed alliances with 28 strategic partners local and overseas, and covered over 25 000 entries of tradable IPRs (including copyright, patents, registered design and trade marks);

IPD commissioned in June 2014 a Survey on IP trading among IP creators, owners and users in Hong Kong. Findings of the survey are expected to be available in the first half of 2015;

(iv) pursuing promotion, education and external collaboration efforts –

the Government co-organised the 2013 and 2014 Business of Intellectual Property Asia Forum with HKTDC and Hong Kong Design Centre. The tripartite co-organisation will continue this year, with a view to bringing this annual IP flagship event in the region to a strategic level.
Working Group Report

Following considered examination of specific policies and measures in support under the Framework, the Working Group released its Report in March 2015, with a host of recommended actions to “Position and promote Hong Kong as the premier IP trading hub in Asia”, which is set as our vision.

The Government has accepted the Working Group Report. Under the policy steer of CITB of CEDB, IPD will continue to work closely with other government departments and public sector and industry bodies (such as HKTDC and the Law Society) to take the recommendations forward.

Resources and Way Forward

To provide dedicated support to the Working Group and to follow up the implementation work, one Chief Executive Officer post was created in CITB in 2014-15 (for 24 months) and the total salary provision for the post is $1.22 million annually. Other manpower and expenditure required for taking forward IP trading initiatives have been and will continue to be covered by the current establishment of and provision for CITB, IPD and relevant agencies. This includes specifically setting aside $23 million in the coming three years to support a number of new initiatives, for example -

(i) launching the official IP Consultation Service Scheme to provide free initial IP consultation services to SMEs, having regard to the result of the pilot scheme mentioned above;
(ii) organising and sponsoring IP manpower training;
(iii) promoting the development of highly specialised IP intermediary services (such as IP valuation and due diligence, and IP arbitration and mediation); and
(iv) launching of promotion and public education campaigns.

The Government would also consider extending the scope of tax deduction for capital expenditure incurred on the purchase of IP rights (IPRs) to cover more types of IPRs.

In the course of implementing the recommended actions, the Government would continue to engage and consult relevant stakeholders and industry players to ensure smooth delivery and achieve maximum results.

- End -
Examination of Estimates of Expenditure 2015-16

Reply Serial No.

CEDB(CIT)249

CONTROLLING OFFICER’S REPLY

(Question Serial No. 1555)

Head: (78) Intellectual Property Department

Subhead (No. & title): ()

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

A) Please provide the number of standard patents granted in Hong Kong based on the patents granted by the “designated patent offices” in the past 5 years.

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<td>2014-15</td>
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B) Please provide the number of short-term patents granted in Hong Kong based on the search reports issued by different searching authorities in the past 5 years.

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C) The current establishment of staff handling patent registration in the Intellectual Property Department, including the staff’s ranks, strength and pay points. What ranks of staff are generally involved in the processing of “standard patents” and “short-term
D) Does the Government have any information concerning the number of patent applications processed and the processing time of regions as the PRC, Taiwan, Singapore and India for comparison?

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. 46)

Reply:

A) The number of standard patents granted in each of the past 5 years (irrespective of the date of application) in Hong Kong based on the patents granted by the “designated patent offices” is as follows:

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<tbody>
<tr>
<td>2010-11</td>
<td>3,387</td>
<td>1,598</td>
<td>123</td>
</tr>
<tr>
<td>2011-12</td>
<td>2,922</td>
<td>1,664</td>
<td>152</td>
</tr>
<tr>
<td>2012-13</td>
<td>3,600</td>
<td>1,762</td>
<td>185</td>
</tr>
<tr>
<td>2013-14</td>
<td>4,455</td>
<td>2,047</td>
<td>151</td>
</tr>
<tr>
<td>2014-15</td>
<td>3,037 (as at 28 February 2015)</td>
<td>1,622</td>
<td>83</td>
</tr>
</tbody>
</table>

B) The number of short-term patents granted in each of the past 5 years (irrespective of the date of application) in Hong Kong based on the search reports issued by different searching authorities is as follows:

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<tbody>
<tr>
<td>2010-11</td>
<td>5</td>
<td>513</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>2011-12</td>
<td>5</td>
<td>525</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2012-13</td>
<td>9</td>
<td>492</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>2013-14</td>
<td>13                                                                [as at 28 February 2015]</td>
<td>502</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>2014-15</td>
<td>10                                                                [as at 28 February 2015]</td>
<td>420</td>
<td>23</td>
<td>3</td>
</tr>
</tbody>
</table>

*Discounting the PRC’s State Intellectual Property Office, the European Patent Office and the United Kingdom Patent Office. Their numbers are separately accounted for on the right.
C) The Patents Registry of the Intellectual Property Department has a total of 5 officers dedicated to handling patent applications, including 1 Intellectual Property Examiner I and 4 Intellectual Property Examiners II. Furthermore, 1 Assistant Director of Intellectual Property, 2 Senior Solicitors, 2 Solicitors, 1 Principal Intellectual Property Examiner and 1 Chief Intellectual Property Examiner also participate in the processing of applications where necessary. The pay points of the officers above are as follows:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Pay points</th>
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</thead>
<tbody>
<tr>
<td>Assistant Director of Intellectual Property</td>
<td>Directorate (Legal) Pay Scale Point 2</td>
</tr>
<tr>
<td>Senior Solicitor</td>
<td>Master Pay Scale Point 45-49</td>
</tr>
<tr>
<td>Solicitor</td>
<td>Master Pay Scale Point 32-44</td>
</tr>
<tr>
<td>Principal Intellectual Property Examiner</td>
<td>Directorate Pay Scale Point 1</td>
</tr>
<tr>
<td>Chief Intellectual Property Examiner</td>
<td>Master Pay Scale Point 45-49</td>
</tr>
<tr>
<td>Intellectual Property Examiner I</td>
<td>Master Pay Scale Point 28-33</td>
</tr>
<tr>
<td>Intellectual Property Examiner II</td>
<td>Master Pay Scale Point 14-27</td>
</tr>
</tbody>
</table>

Generally speaking, the processing of applications for “standard patents” and “short-term patents” involves Intellectual Property Examiner II and Intellectual Property Examiner I respectively. Regarding the “standard patents” and “short-term patents” granted by the Patents Registry in 2014, the average number of days counting from the date of application to the date of grant is 1273 and 154 respectively. The average number of days for grant of standard patents is usually higher than that for grant of the short-term patents because the application process of a standard patent involves two stages. At the first stage, the applicant is required to apply for a patent grant at one of three designated patent offices. Within six months after the patent application has been published by the relevant designated patent office, the applicant may file a “request to record” application for a standard patent in Hong Kong (this is the date of application as mentioned above). At the second stage, the applicant may proceed to file a “request for registration and grant” in Hong Kong within 6 months after the grant of patent by the relevant designated patent office. Since it takes time for the relevant designated patent offices to examine the patent applications, the time gap between the date of application and the date of grant could be considerable.

D) We do not have sufficient information about the number of patent applications processed and the processing time in Mainland China, Taiwan, Singapore and India for comparison.

According to the information on the websites of the concerned patent authorities, the numbers of patent applications in Mainland China, Taiwan, India and Singapore are as follows:

<table>
<thead>
<tr>
<th>Country/region</th>
<th>Year</th>
<th>No. of applications</th>
<th>Website</th>
</tr>
</thead>
</table>

- End -
EXAMINATION OF ESTIMATES OF EXPENDITURE 2015-16

CONTROLLING OFFICER’S REPLY

(Question Serial No. 0379)

Head: (78) Intellectual Property Department
Subhead (No. & title): ( )
Programme: (2) Protection of Intellectual Property
Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2015-16, the provision for Programme (2) Protection of Intellectual Property is $37.9 million. Would the Government advise:

1. What seminars and exhibitions will be organised to help small and medium enterprises understand the protection of their intellectual property (IP) rights and raise awareness of innovation and IP management among them, in particular, the exploration of potential IP solutions and IP available for sale in their target markets?

2. How to assist the business community to strengthen their IP protection and management in the Mainland?

3. What is the amount of resources to be injected to strengthen the out-reach effort to young people in promoting IP protection?

Asked by: Hon LEUNG Kwan-yuen, Andrew (Member Question No. 16)

Reply:

In 2015-16, the Intellectual Property Department (IPD) has earmarked about $2.55 million for promotion and education efforts targeted at the business sector (including small and medium enterprises (SMEs), business associations, IP intermediaries, etc), and about $1.85 million, targeted at young people.

1. SMEs remain one of the prime targets of our promotion and education efforts. Through seminars and exhibitions organised by IPD or in collaboration with others, we will continue to help SMEs understand the importance of protecting their IP rights and raise their awareness of innovation and IP management. These activities also support SMEs to explore potential IP solutions to further develop and expand their business, such as the types of IP that may be available for sale or exploitation in their target markets. In 2015-16, the promotional activities that IPD will carry out include:
1. Co-organising the “Business of IP Asia Forum” with the Hong Kong Trade Development Council and the Hong Kong Design Centre;

(ii) Participating actively in major exhibitions and seminars for SMEs held in Hong Kong, such as the “Entrepreneur Day”, “Hong Kong International Licensing Show” and exhibition held during the same time as the “Business of IP Asia Forum”; and

(iii) Co-organising promotional activities, such as seminars, exchange activities, with various business associations, to brief SMEs on the latest information on IP rights as well as issues on the protection and management of IP rights and distributing related booklets on these occasions.

2. To help the business sector (including SMEs, business associations, IP intermediaries, etc.) strengthen protection and management of their IP rights on the Mainland, IPD maintains close co-operation with the Mainland authorities responsible for IP protection. In 2015-16, IPD will organise the following promotional activities:

(i) Continuing to co-organise the “Mainland, Hong Kong SAR and Macao SAR Intellectual Property Symposium” with the State Intellectual Property Office and the Macao Economic Services to keep the business sector abreast of the latest development of IP protection in the three places; and

(ii) Continuing to co-organise activities with the IP authorities in Guangdong Province under the framework of the “Guangdong/Hong Kong Expert Group on the Protection of IP Rights” to promote and publicise the importance of IP protection and management as well as the concept of IP trading. Such activities will include organising thematic seminars, and updating and enriching the content of the “Intellectual Property Database for Guangdong, Hong Kong and Macao” (www.ip-prd.net) as well as the “Guangdong/Hong Kong IP Co-operation Corner”, “Mainland Enterprises Corner” and “Mainland and Hong Kong Trademark Column” on IPD’s website (www.ipd.gov.hk), with a view to providing the business sector with information about IP protection in the three places including laws and regulations, registration procedures, law enforcement, and promotion and education activities. IPD will also continue to organise exchange activities to enable the business sector to establish connections with the IP authorities and business sector on the Mainland.

3. Regarding IP promotion and education to young people, avenues will include school talks, interactive drama programmes, seminars in tertiary institutions, the “IP Teen City” website, and different kinds of activities organised in collaboration with other organisations, such as creative competitions, and the “I Pledge Live Band Festival” and a film show organised for members of the “I Pledge” campaign. Through elaboration and practical experience, IPD aims to promote the awareness of IP right protection among young people more effectively.

In addition to the above, to promote Hong Kong as a premier IP trading hub in the region, $23 million would be specifically set aside in the coming three years to support a number of new initiatives, for example -

(i) Launching the official IP Consultation Service Scheme to provide free initial IP consultation services to SMEs, having regard to the result of a pilot scheme;
(ii) organising and sponsoring IP manpower training;
(iii) promoting the development of highly specialised IP intermediary services (such as IP valuation and due diligence, and IP arbitration and mediation); and
(iv) launching of promotion and public education campaigns earmarked in the coming three years.

These new initiatives will in different ways benefit the business community (including SMEs) and young people alike in raising awareness in IP protection, management and exploitation.

- End -
(Question Serial No. 0350)

Head: (78) Intellectual Property Department

Subhead (No. & title): ( )

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in paragraph 90 of the Budget, Hong Kong is well placed to become an intellectual property trading hub in the region, which includes introducing an original grant patent system, providing manpower training and carrying out extensive promotion and publicity activities. It is, however, noted that, in the Bureau’s assessment, no additional manpower is required for discharging the extra duties. What are the reasons? How many officers will be assigned by the Bureau to undertake the relevant duties and why?

 Asked by: Hon LIAO Cheung-kong, Martin (Member Question No. 33)

Reply:

To provide dedicated support to the Working Group and to follow up the implementation work, one Chief Executive Officer post was created in the Commerce and Economic Development Bureau in 2014-15 (for 24 months). The Marketing Division of Intellectual Property Department (IPD) has nine staff members who are responsible for publicity and education work and the promotion of IP trading.

The manpower and expenditure required for taking forward IP trading initiatives will continue to be covered by the current establishment of and provision for the CEDB (Commerce, Industry and Tourism Branch (CITB)), IPD and relevant agencies. This includes specifically setting aside $23 million in the coming three years to support a number of new initiatives, for example -

(i) launching the official IP Consultation Service Scheme to provide free initial IP consultation services to small and medium-sized enterprises, having regard to the result of a pilot scheme rolled out by IPD earlier on;

(ii) organising and sponsoring IP manpower training;

(iii) promoting the development of highly specialised IP intermediary services (such as IP valuation and due diligence, and IP arbitration and mediation); and

(iv) launching of promotion and public education campaigns.
To implement the “original grant” patent (OGP) system, refine the short-term patent system, operate the new Patents Registry, and to deal with issues relating to the establishment of a regulatory regime for patent practitioners, a supernumerary Assistant Director post was created in IPD in 2014-15 (for a period of three years) to head a dedicated team for taking forward the relevant work. At present, apart from the Assistant Director, there are altogether eight non-directorate staff members in the dedicated team.

We will review the internal manpower requirement as appropriate to meet the operational needs, taking into account the development on various fronts.

- End -
The Government has indicated that it will take forward the overall strategies and support measures endorsed by the Working Group on Intellectual Property Trading to develop and promote Hong Kong as a premier IP trading hub in the region. In this connection, please advise: How much resources will be allocated by the Government for this purpose? Have any specific targets, timetable and roadmap for implementation been formulated? If so, what are the details? If not, what are the reasons?

Asked by: Hon LO Wai-kwok (Member Question No. 31)

Reply:

Set up in March 2013, the Working Group on Intellectual Property (IP) Trading (Working Group) has worked intensively to study and advise on the promotion of IP trading in Hong Kong. In November 2013, the Working Group promulgated a strategic framework (Framework) for forging ahead the development of IP trading. The Framework covers four strategic areas, namely enhancing the IP protection regime; supporting IP creation and exploitation; fostering IP intermediary services and manpower capacity; and pursuing promotion, education and external collaboration efforts.

Actions thus far

In line with the deliberations and advice of the Working Group, various actions have been underway, for example -

(i) enhancing our IP regime –

- we are implementing an “Original Grant Patent” (OGP) system, and are drawing up the requisite amendments to the Patents Ordinance (Cap 514) to provide for the legal framework of the OGP system. Subject to progress, we aim at introducing a bill into the Legislative Council in the first half of this year and launching the OGP system in 2016-17 at the earliest;
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the Intellectual Property Department (IPD), in collaboration with the IP Committee of the Law Society of Hong Kong (Law Society), launched in December 2014 a 6-month pilot scheme to provide IP consultation services to small and medium-sized enterprises (SMEs). The Hong Kong Trade Development Council (HKTDC) has also broadened the scope of its existing advisory services to help SMEs make better use of their IP;

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IPD commissioned in June 2014 a Survey on IP trading among IP creators, owners and users in Hong Kong. Findings of the survey are expected to be available in the first half of 2015;

(iv) pursuing promotion, education and external collaboration efforts –

the Government co-organised the 2013 and 2014 Business of Intellectual Property Asia Forum with HKTDC and Hong Kong Design Centre. The tripartite co-organisation will continue this year, with a view to bringing this annual IP flagship event in the region to a strategic level.

Working Group Report

Following considered examination of specific policies and measures in support under the Framework, the Working Group released its Report in March 2015, with a host of recommended actions to “Position and promote Hong Kong as the premier IP trading hub in
Asia”, which is set as our vision.

The Government has accepted the Working Group Report. Under the policy steer of CITB of CEDB, IPD will continue to work closely with other government departments and public sector and industry bodies (such as HKTDC and the Law Society) to take the recommendations forward.

Resources and Way Forward

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(i) launching the official IP Consultation Service Scheme to provide free initial IP consultation services to SMEs, having regard to the result of the pilot scheme mentioned above;
(ii) organising and sponsoring IP manpower training;
(iii) promoting the development of highly specialised IP intermediary services (such as IP valuation and due diligence, and IP arbitration and mediation); and
(iv) launching of promotion and public education campaigns.

The Government would also consider extending the scope of tax deduction for capital expenditure incurred on the purchase of IP rights (IPRs) to cover more types of IPRs.

In the course of implementing the recommended actions, the Government would continue to engage and consult relevant stakeholders and industry players to ensure smooth delivery and achieve maximum results.

- End -
(Question Serial No. 2725)

Head: (78) Intellectual Property Department

Subhead (No. & title): ( )

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Please provide a breakdown of the respective numbers of patent applications received and patents granted by the Intellectual Property Department in the past 3 years.

2. There are insufficient talents for processing and examining patent applications. At this moment, does the Government have any specific new plans to strengthen the training of manpower and technical expertise?

3. The development of intellectual property trading requires expertise in various fields. Does the Government have any plan on training of manpower to address the issue? If so, what are the details? If not, what are the reasons?

Asked by: Hon QUAT Elizabeth (Member Question No. 54)

Reply:

1. The respective numbers of patent applications received and patents granted by the Patents Registry of the Intellectual Property Department (IPD) in 2012, 2013 and 2014 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard patent applications received</td>
<td>12 988</td>
<td>13 916</td>
<td>12 542</td>
</tr>
<tr>
<td>Short-term patent applications received</td>
<td>645</td>
<td>552</td>
<td>587</td>
</tr>
<tr>
<td>Standard patents granted</td>
<td>5 035</td>
<td>6 564</td>
<td>5 932</td>
</tr>
<tr>
<td>Short-term patents granted</td>
<td>515</td>
<td>538</td>
<td>522</td>
</tr>
</tbody>
</table>

2. The Government announced in February 2013 the way forward for the development of the patent system in Hong Kong, including the establishment of an “original grant” patent (OGP) system and the refinement of the existing short-term patent system.

   We recognise the importance of manpower training in the examination of patent applications for implementing and operating the OGP system. Under a co-operation
arrangement concluded between IPD and the State Intellectual Property Office, the latter would provide technical assistance and support in substantive examination and manpower training for the OGP system. IPD will also plan for the recruitment and training of examiners having regard to operational needs.

In addition, IPD would continue to strengthen its exchanges and co-operation with overseas intellectual property (IP) authorities. In this regard, IPD signed memoranda of understanding on co-operation with the IP authorities of Korea and Mexico respectively in January and February 2015 under which cooperation on manpower training and experience sharing were anticipated. Meanwhile, IPD will continue to arrange for its staff to attend patent-related seminars and training programmes in accordance with operational needs, so as to continuously enhance their professional expertise and experience.

3. To forge ahead the development of IP trading in Hong Kong, the Working Group on IP Trading has promulgated a strategic framework. One of the four strategic areas covered is about fostering IP intermediary services and manpower capacity. The recommended actions include organizing and sponsoring IP manpower training. Notably –

- IPD ran a pilot 2-day IP management training programme in January and February 2015 to gain experience and obtain participants’ feedback for discussion with relevant government departments and business, trade and professional organisations.

- With the benefit of the above pilot, IPD plans to launch an IP Manager Scheme by providing training to managerial staff of small and medium enterprises (SMEs) and encouraging them to appoint in-house IP Managers who will be responsible for overseeing the compliance, management, exploitation and commercialisation of IP assets.

- IPD plans to sponsor and promote training courses in IP related subjects organised by professional bodies as appropriate, so as to foster the development of IP related services among professionals and to nurture talents.

- End -
(Question Serial No. 3233)

Head: (78) Intellectual Property Department

Subhead (No. & title): ( )

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2015-16, the Intellectual Property Department will support the business community in strengthening their intellectual property protection and management in the Mainland through the Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights. In this connection, will the Government inform this Committee of:

1. the specific efforts to be made in respect of the above work and the estimated expenditure involved;

2. the ways for assessing the effectiveness of the above work?

Asked by: Hon TIEN Pei-chun, James (Member Question No. 50)

Reply:

1. The Intellectual Property Department (IPD) maintains close co-operation with the Mainland authorities responsible for intellectual property (IP) protection through the Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights, in order to help the business sector in strengthening their IP rights protection and management on the Mainland. In 2015-16, IPD will continue to co-organise activities with the IP authorities in Guangdong Province to promote and publicise the importance of IP rights protection and management as well as the concept of IP trading. Such activities include organising thematic seminars, and updating and enriching the content of the “Intellectual Property Database for Guangdong, Hong Kong and Macao” (www.ip-prd.net) as well as the “Guangdong/Hong Kong IP Cooperation Corner”, “Mainland Enterprises Corner” and “Mainland and Hong Kong Trademark Column” on IPD’s website (www.ipd.gov.hk), with a view to providing the business sector with information about IP protection in the three places, including laws and regulations, registration procedures, enforcement issues, promotion and education activities. IPD will also organise exchange activities to enable the business sector to establish connections with the IP authorities on the Mainland. In 2015-16, the estimated expenditure of such work is about $150,000.
2. IPD maintains close liaison with the business sector and stakeholders, and collects feedback from participants of promotion and education activities to assess the effectiveness of these activities. In addition, IPD has conducted six rounds of “Survey on Business Attitudes to Intellectual Property” since 2004 to examine the current level of awareness and attitude of the business sector towards IP rights protection, as well as to evaluate the effectiveness of its overall promotion and education efforts. According to the findings of the survey published in 2013, nearly two-thirds of the companies/organisations interviewed considered the promotional activities held by IPD effective in raising the awareness of Hong Kong businesses on IP rights protection.

- End -
CONTROLLING OFFICER’S REPLY

(Question Serial No. 0388)

Head: (78) Intellectual Property Department

Subhead (No. & title): ( )

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The projects which the Government will continue taking forward include setting up an original grant patent system, and a refined short-term patent system together with regulating local patent practitioners. In this respect, will the Government inform this Committee of:

1. when, in the Government’s assessment, a bill will be introduced into the Legislative Council for amending the Patents Ordinance;

2. the stakeholders and organisations of the relevant industries with which the Government has consulted in drafting the bill; and

3. how long the Government has spent on drafting the bill in view of the years taken for drawing up the legislation for the original grant patent system. Why does it take so many years for the Government to draft the bill?

Asked by: Hon WONG Kwok-hing (Member Question No. 8)

Reply:

1. The Government is now drawing up the legislative proposals for amending the Patents Ordinance (“the Ordinance”) in order to provide for the legislative framework for implementing the “original grant” patent (OGP) system, refining the short-term patent system, and introducing interim measures for regulating patent practitioners in Hong Kong. Subject to the progress of the drafting and other preparatory work, we expect that an amendment bill would be introduced into the Legislative Council in the first half of this year.

2. The legislative proposals under preparation are based on the strategic recommendations of the Advisory Committee on Review of the Patent System in Hong Kong (“Advisory Committee”), which has taken into account the views obtained from the public consultation exercise conducted by the Government in 2011. In the course of preparing and drafting the bill, we have been liaising with the Advisory Committee and
relevant industry organisations, such as the Hong Kong Bar Association, Law Society of Hong Kong, Asian Patent Attorneys Association Hong Kong Group, Hong Kong Institute of Trade Mark Practitioners Limited, Hong Kong Institute of Patent Attorneys and Hong Kong Institute of Patent Practitioners, to benefit from their professional views.

3. The Government commenced a comprehensive review on the patent system of Hong Kong in October 2011, with the support of the Advisory Committee. In February 2013, having endorsed the strategic recommendations put forward by the Advisory Committee in its report, the Government announced the way forward. The Intellectual Property Department (IPD) have been following up with the implementation work, including the following tasks –

(i) studying the patent systems, practices and procedures generally established in the international community;
(ii) engaging a consultant to study important legislative and technical issues in the course of formulating the framework of the OGP system;
(iii) discussing with the State Intellectual Property Office (SIPO) on matters relating to substantive examination of patent applications and training of personnel. In December 2013, IPD and SIPO signed the Co-operation Arrangement in the Area of Patent, under which SIPO would render technical assistance and support in these aspects;
(iv) researching into and drafting the legislative proposals to amend the Patents Ordinance; and
(v) planning the electronic system in support.

The OGP system has far-reaching implications for enhancing Hong Kong’s protection regime for intellectual property rights and for promoting Hong Kong as a regional hub for innovation, technology and IP trading. We need to deal with the above issues carefully and maintain good communication with the stakeholders along the way. Subject to the progress of the implementation work and preparation of the legislation, we plan to launch the OGP system in 2016-17 at the earliest.

- End -
Examination of Estimates of Expenditure 2015-16

CONTROLLING OFFICER’S REPLY

(Question Serial No. 0606)

Head: (78) Intellectual Property Department

Subhead (No. & title): ( )

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary has proposed to earmark $23 million in the coming 3 years for offering consultation, manpower training and other services to small and medium enterprises. Will the Government inform this Committee of the details of the proposed support measures, the manpower and administration expenses involved, and the institutions responsible for providing the manpower training?

Asked by: Hon WONG Kwok-hing (Member Question No. 9)

Reply:

Set up in March 2013, the Working Group on Intellectual Property (IP) Trading (Working Group) has worked intensively to study and advise on the promotion of IP trading in Hong Kong. In November 2013, the Working Group promulgated a strategic framework (Framework) for forging ahead the development of IP trading. The Framework covers four strategic areas, namely enhancing the IP protection regime; supporting IP creation and exploitation; fostering IP intermediary services and manpower capacity; and pursuing promotion, education and external collaboration efforts.

Actions thus far

In line with the deliberations and advice of the Working Group, various actions have been underway, for example -

(i) enhancing our IP regime –

- we are implementing an “Original Grant Patent” (OGP) system, and are drawing up the requisite amendments to the Patents Ordinance (Cap 514) to provide for the legal framework of the OGP system. Subject to progress, we aim at introducing a bill into the Legislative Council in the first half of this year and launching the OGP system in 2016-17 at the earliest;
we introduced the Copyright (Amendment) Bill 2014 into the Legislative Council in June 2014, which seeks to strengthen copyright protection in the digital environment, and safeguard users’ freedom of expression. A Bills Committee is scrutinising the Bill with our full support;

we carried out a consultation exercise from November 2014 to February 2015 on the proposed application of the Madrid Protocol to Hong Kong, which may enable trade mark owners to enjoy the convenience of one-stop service in seeking trade mark protection and manage their trade mark portfolio in multiple countries. Taking into account the consultation outcome, the Government will set out the best way forward;

(ii) supporting IP creation and exploitation –

the Intellectual Property Department (IPD), in collaboration with the IP Committee of the Law Society of Hong Kong (Law Society), launched in December 2014 a 6-month pilot scheme to provide IP consultation services to small and medium-sized enterprises (SMEs). The Hong Kong Trade Development Council (HKTDC) has also broadened the scope of its existing advisory services to help SMEs make better use of their IP;

the Innovation and Technology Commission (ITC), through the $5 billion Innovation and Technology Fund, has been financing projects that contribute to innovation and technology upgrading and development. In 2014, ITC launched new improvement measures to promote private sector research and development (R&D), commercialisation of R&D outcomes, and their application in the public sector;

(iii) fostering IP intermediary services and manpower capacity –

HKTDC launched the Asia IP Exchange (AsiaIPEX), an online IP trading portal, in December 2013 to enhance Hong Kong’s online IP trading volume, capabilities and connections. As at end-February 2015, AsiaIPEX has formed alliances with 28 strategic partners local and overseas, and covered over 25,000 entries of tradable IPRs (including copyright, patents, registered design and trade marks);

IPD commissioned in June 2014 a Survey on IP trading among IP creators, owners and users in Hong Kong. Findings of the survey are expected to be available in the first half of 2015;

(iv) pursuing promotion, education and external collaboration efforts –

the Government co-organised the 2013 and 2014 Business of Intellectual Property Asia Forum with HKTDC and Hong Kong Design Centre. The tripartite co-organisation will continue this year, with a view to bringing this annual IP flagship event in the region to a strategic level.

Working Group Report

Following considered examination of specific policies and measures in support under the Framework, the Working Group released its Report in March 2015, with a host of recommended actions to “Position and promote Hong Kong as the premier IP trading hub in Asia”, which is set as our vision.
The Government has accepted the Working Group Report. Under the policy steer of CITB of CEDB, IPD will continue to work closely with other government departments and public sector and industry bodies (such as HKTDC and the Law Society) to take the recommendations forward.

*Resources and Way Forward*

To provide dedicated support to the Working Group and to follow up the implementation work, one Chief Executive Officer post was created in CITB in 2014-15 (for 24 months) and the total salary provision for the post is $1.22 million annually. Other manpower and expenditure required for taking forward IP trading initiatives have been and will continue to be covered by the current establishment of and provision for CITB, IPD and relevant agencies. This includes specifically setting aside $23 million in the coming three years to support a number of new initiatives, for example -

(i) launching the official IP Consultation Service Scheme to provide free initial IP consultation services to SMEs, having regard to the result of the pilot scheme mentioned above;

(ii) organising and sponsoring IP manpower training;

(iii) promoting the development of highly specialised IP intermediary services (such as IP valuation and due diligence, and IP arbitration and mediation); and

(iv) launching of promotion and public education campaigns.

The Government would also consider extending the scope of tax deduction for capital expenditure incurred on the purchase of IP rights (IPRs) to cover more types of IPRs.

In the course of implementing the recommended actions, the Government would continue to engage and consult relevant stakeholders and industry players to ensure smooth delivery and achieve maximum results.

- End -