



◀ **REPORT** ▶

OF

THE ADVISORY COMMITTEE

ON REVIEW OF

THE PATENT SYSTEM IN HONG KONG

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Executive Summary

The Review

To ensure that the Hong Kong patent system continues to meet present-day circumstances and that its further evolution would facilitate the development of Hong Kong into a regional innovation and technology hub, the Administration commenced a comprehensive review of the patent system and issued a Consultation Paper entitled “Review of the Patent System in Hong Kong” in October 2011.

The Advisory Committee

2. The Secretary for Commerce and Economic Development appointed an Advisory Committee on Review of the Patent System in Hong Kong (the Advisory Committee) in the same month to advise him on –

- (a) how the Administration should position our patent system, having regard to the issues outlined in the public consultation paper of October 2011 and the responses received; and
- (b) how best to implement changes to the patent system, in light of the decisions made by the Administration on the way forward.

3. The Advisory Committee held a total of six meetings between October 2011 and November 2012. Having carefully examined the submissions of the respondents to the consultation document and all relevant considerations, including the patent systems in other jurisdictions, the Advisory Committee submitted a report to the Administration in December 2012.

Key Recommendations

4. The key recommendations made by the Advisory Committee are summarised as follows –

(A) Standard Patents

- (a) An “original grant” patent system should be established in Hong Kong with substantive examination outsourced to other patent offices.
- (b) The current re-registration system should be retained.

(B) Short-term Patents

- (a) The short-term patent system should be retained.
- (b) The following refinements to the short-term system should be made –
 - (i) Substantive examination should be made a pre-requisite to commencement of infringement proceedings.
 - (ii) A short-term patentee, when making a threat of infringement proceedings, should furnish the person to whom the threat was made full particulars about the short-term patent in question in support of the threat.
 - (iii) A failure to comply with the requirement in (ii) above should have the legal effect of rendering the threat groundless which enables the party aggrieved by the threat to seek a legal remedy.
 - (iv) Appropriate legislative amendments should be considered to give effect to the above and to address the perceived

inconsistency in the burden of proof of patent validity as contained in the existing section 89(2) of the Patents Ordinance (Cap. 514) in relation to short-term patents.

- (v) Both the patentees and third parties having a legitimate concern or doubt about the validity of a short-term patent should have the right to apply to the Hong Kong Patents Registry for substantive examination of a short-term patent.
 - (vi) The official fees for substantive examination of a short-term patent should be payable by the person making the request for such examination.
 - (vii) The Hong Kong Patents Registry may take advantage of the above new enforcement requirements of short-term patents to explore a more involved role in working with the outsourced examination authority(ies) to meet the possible demands.
- (c) The possibility of allowing one short-term patent application to have no more than one independent claim for a product and one independent claim for a process, provided that they relate to one single invention, should be further explored.
 - (d) The current maximum term of protection (i.e. eight years) should be maintained.
 - (e) The current patentability criteria for short-term patents should be maintained.

(C) Regulation of Patent Agency Services

- (a) A full-fledged regulatory regime on patent agency services (which involves regulating both the provision of services and the use of professional titles) should be set as the ultimate goal in the long run, which has to be achieved in stages, with possible interim measures.
- (b) Interim measures to be developed should have regard to the existing patent agency services being provided on the one hand (e.g. through appropriate grandfathering provisions) and the early building and recognition of a regulated patent agency profession on the other (e.g. through regulating use of particular professional titles such as “patent agent” and “patent attorney”, or a list or register of patent agents with their qualifications).

Way Forward

5. Subject to the Administration’s decision on the way forward, the Advisory Committee will further explore the detailed implementation issues regarding the recommendations in the next phase of the review.

CHAPTER 1

Introduction

The Review

1.1 To ensure that the Hong Kong patent system continues to meet present-day circumstances and that its further evolution would facilitate the development of Hong Kong into a regional innovation and technology hub, the Administration commenced a comprehensive review of the system in October 2011, taking into account the latest international developments in patent protection.

Background

1.2 Under the Patents Ordinance (Cap. 514) (the Ordinance),¹ two types of patents, namely standard patent and short-term patent, are granted in Hong Kong.

1.3 The grant of a standard patent in Hong Kong, which is valid for a maximum term of 20 years, is based on a patent granted by one of the three “designated patent offices”, namely the State Intellectual Property Office (SIPO) of the People’s Republic of China (PRC), the United Kingdom (UK) Patent Office and the European Patent Office (EPO) (for European patents designating the UK). No substantive examination is conducted for a grant of Hong Kong standard patent, i.e. the Hong Kong Patents Registry (Patents Registry) does not assess whether the invention is novel, involves an inventive step and is susceptible of industrial application. This grant system is generally referred to as a “re-registration” system.²

¹ The Ordinance was enacted on 27 June 1997. Prior to 1997, a person who had obtained a patent in the UK or a European patent designating the UK could have his patent registered in Hong Kong within five years of its grant. The patent would be effective in Hong Kong for so long as the corresponding UK or European patent remained in force.

² The application process for a standard patent involves two stages, i.e.

- (a) At stage one, the applicant has to file a “request to record” with the Patents Registry within six months after the date of the publication of the corresponding application in a designated patent office.
- (b) At stage two, the applicant has to file a “request for registration and grant” with the Patents Registry within six months after the date of grant of the patent by the designated patent office or publication of the “request to record” in Hong Kong, whichever is later.

The Patents Registry will grant the patent after receiving the relevant documents in relation to the grant of the designated patent.

1.4 As a supplement to standard patents, short-term patents, which are valid for a maximum term of eight years, may also be granted under the Ordinance to offer protection for products with a shorter commercial life cycle. The applicant may file his application, which is to be supported by a search report, directly with the Patents Registry without first having to apply for a patent at a designated patent office.³

1.5 While the current patent system in Hong Kong, having been in place for more than a decade, is generally accepted as user-friendly and cost-effective, diverging views as to whether it would continue to meet the changing needs of our economy have emerged in recent years.

The Consultation Exercise

1.6 A Consultation Paper entitled “Review of the Patent System in Hong Kong” was issued by the Administration in October 2011 to invite views from the public on the following main topics and issues –

- (a) Standard patents
 - (i) Whether an “original grant” patent (OGP) system should be introduced in Hong Kong.
 - (ii) Irrespective of the answer to (i) above, whether the current re-registration system should be maintained, and if so, whether the system should be expanded to recognise the patents granted by other jurisdiction(s).

³ The applicant is required to submit a search report prepared either by one of the designated patent offices or by any “International Searching Authority” appointed pursuant to Article 16 of the Patent Cooperation Treaty (PCT). The Patents Registry will grant the short-term patent after satisfying itself that the information required is fully furnished.

(b) Short-term patents

- (i) Whether the short-term patent system should be retained as a supplement to the standard patent system.
- (ii) Assuming that the short-term patent system is to be retained, whether and if so what measures should be introduced to enhance the efficacy of the system.

(c) Regulation of patent agency services

Whether the provision of patent agency services in Hong Kong should be regulated, and if so, what form the regulatory system should take.

1.7 Upon the issue of the Consultation Paper in October 2011, the Administration engaged stakeholders through different channels and forums. The views of the relevant advisory boards including the Innovation and Technology Advisory Committee of the Hong Kong Trade Development Council and the Trade and Industry Advisory Board have been gathered. Various briefing sessions targeted at research and development (R&D) centres, small and medium-sized enterprises, industry associations, tertiary education institutes and chambers of commerce were held. The consultation period ended on 31 December 2011.

The Advisory Committee

1.8 An Advisory Committee on Review of the Patent System in Hong Kong was appointed by the Secretary for Commerce and Economic Development (SCED) in October 2011. Members of the Advisory Committee comprise government officials⁴ and non-official members who were drawn from a wide cross section of the patent-related fields,

⁴ Including officials from the Commerce and Economic Development Bureau, the Intellectual Property Department and Innovation and Technology Commission.

including legal professionals, patent practitioners, as well as members of the academic, R&D and industrial sectors.

1.9 The terms of reference of the Advisory Committee are to advise SCED on –

- (a) how the Administration should position Hong Kong's patent system, having regard to the issues outlined in the public consultation paper of October 2011 and the responses received; and
- (b) how best to implement changes to the patent system, in the light of decisions made by the Administration on the way forward.

The membership of the Advisory Committee is at Annex A.

CHAPTER 2

Deliberations of the Advisory Committee

2.1 In drawing up its recommendations, the Advisory Committee held a total of six meetings between October 2011 and November 2012.

2.2 The Advisory Committee first considered carefully the feedback from the consultation exercise on the various topics and issues.

The Consultation Feedback

2.3 In response to the consultation, a total of 74 submissions were received (including nine late submissions),⁵ mainly from stakeholders in the patent-related fields including various industrial associations and professional organisations, academia, the legal profession, as well as the business and industrial sectors. The views and comments received on the key issues posed in the Consultation Paper are summarised at Annex B, and the main points are set out below –

(a) Standard patents

- (i) The vast majority of respondents consider that the current re-registration system should be maintained.
- (ii) However, views on whether Hong Kong should have an OGP system are diverse. Amongst those who support an OGP system in Hong Kong, there is a good measure of consensus that substantive examination should be outsourced to other patent office(s), at least in the short to medium term. As regards the

⁵ Available at the websites of the Commerce & Economic Development Bureau (www.cedb.gov.hk/citb) and the Intellectual Property Department (www.ipd.gov.hk).

choice of patent office(s) to which substantive examination should be outsourced, many respondents consider SIPO to be an obvious and natural choice.

(iii) On the other hand, those who question the need for an OGP system in Hong Kong doubt whether there would be a critical mass of OGP applications to support a cost-effective system.

(b) Short-term patents

(i) Quite a number of the respondents oppose the introduction of substantive examination to the short-term patent system. Those who support substantive examination propose imposing a requirement for substantive examination before the patent owner can commence infringement proceedings.

(ii) Some respondents suggest that the groundless threats provisions should be strengthened.

(c) Regulation of patent agency services

(i) Different views were received regarding regulation of patent agency services. Some respondents support setting up a regulatory regime for providers of patent agency services in any event. Others see a need for a regulatory regime only if an OGP system is to be introduced in Hong Kong.

- (ii) Amongst those who favour a regulatory regime, there are different views as to whether Hong Kong should regulate the provision of some or all patent-related services.

Patent Systems in Other Jurisdictions

2.4 The Advisory Committee, apart from examining the submissions of respondents to the Consultation Paper, gave careful consideration to relevant research materials, including information on different aspects of the patent systems in other jurisdictions such as Mainland China, Singapore, Macao, Australia, the United States (US), the UK and New Zealand. Details are set out in the following Chapters.

Focus of Discussion

2.5 The Advisory Committee first discussed the issue of whether an OGP system should be introduced in Hong Kong, as the direction for any change would affect the consideration of the remaining issues. In examining the public views, positions of other jurisdictions, possible outsourcing options and other relevant factors, the Advisory Committee has borne in mind the long term goals to develop Hong Kong into an innovation and technology hub, to promote R&D, and to nurture the human capital in Hong Kong in such areas.

2.6 Such a holistic perspective has enabled the Advisory Committee to take a broad view on whether an OGP system should be introduced, and, on this basis, on the related issues of whether the existing re-registration system should be maintained, whether changes need to be introduced to the short-term patent system and whether patent agency services should be regulated. This Report sets out the Advisory Committee's recommendations on the directions for changes that would better position Hong Kong's patent system to meet our future economic needs. Subject to the Administration's decision on the way forward, the Advisory Committee will further advise on how best to implement the changes.

CHAPTER 3

Standard Patents

Options

3.1 The Advisory Committee explored the following three options as set out in paragraphs 1.53 to 1.55 of the Consultation Paper –

- (a) Option 1 : introduce an OGP system with substantive examination outsourced to other patent offices, in lieu of the current re-registration system;
- (b) Option 2 : introduce an OGP system with substantive examination outsourced to other patent offices whilst retaining the current re-registration system (with possible expansion of the list of designated patent offices); and
- (c) Option 3 : do not introduce an OGP system, but maintain the current re-registration system with possible expansion of the list of designated patent offices.

Views from the Public Consultation

(A) OGP System

3.2 The Advisory Committee noted that views on the need to introduce an OGP system into Hong Kong are very diverse –

- (a) Most of the local trade associations such as the Chinese Manufacturers' Association of Hong Kong, Federation of Hong Kong Industries support having

an OGP system in Hong Kong, whilst the Hong Kong Association of the Pharmaceutical Industry and the Licensing Executives Society China Hong Kong Sub-Chapter hold a contrary view.

- (b) The American Chamber of Commerce in Hong Kong and the Hong Kong General Chamber of Commerce express doubts about the demand for an OGP system in Hong Kong by, amongst others, questioning whether such introduction could attract the critical mass required for supporting a cost-effective OGP system.
- (c) The Hong Kong Institute of Patent Attorneys and the Hong Kong Institute of Patent Practitioners consider an OGP system beneficial to Hong Kong whereas the Law Society of Hong Kong, the Hong Kong Institute of Trade Mark Practitioners and the Asian Patent Attorneys Association Hong Kong Group do not see a business case for having an OGP system.
- (d) Patent practitioners, other groups and individual respondents are similarly divided in their views about the introduction of an OGP system in Hong Kong.

3.3 Supporters of an OGP system consider that it would offer tangible and potential benefits including the following –

- (a) Facilitating more flexible and expedient examination procedures.
- (b) Allowing applicants to obtain patent protection in Hong Kong at a lower cost.

- (c) Providing a better basis for (i) mutual recognition of patents granted by Hong Kong and Mainland China, or (ii) expedited processing of subsequent corresponding applications by SIPO which has done the examination before, by contracting out the substantive examination work to SIPO, which seems to be a natural choice at least in the initial stage.
- (d) Promoting direct communication between local enterprises and Hong Kong patent practitioners without language barrier, resulting in higher patent quality.
- (e) Encouraging local innovation and attracting enterprises to set up their R&D operations in Hong Kong, thereby promoting Hong Kong as a regional innovation and technology hub.
- (f) Stimulating the growth of patent agency business and helping to build up local patent professionals.
- (g) Creating added career opportunities for graduates with science and engineering background.
- (h) Promoting Hong Kong as the place of “first filing” for patents.

3.4 On the other hand, commentaries questioning the presence of a business case for adopting an OGP system in Hong Kong include the following –

- (a) It is doubtful as to whether there would be sufficient demand for supporting a cost-effective OGP system.

- (b) Cost of obtaining an OGP (particularly if the system is not supported by a sufficient critical mass) could be much higher than that of obtaining a patent under the current re-registration system, and the cost would almost inevitably be passed on to users; an OGP system if introduced should not be at the expense of re-registration system users; public funds should be spent on more worthy causes than providing subsidy to patent applicants.
- (c) The current re-registration system is efficient and inexpensive; having an OGP system would complicate rather than streamline patent grant procedures; the international trend is moving away from duplicate patent examination.
- (d) Introduction of an OGP system would not enhance the quality of standard patents granted which is already very high.
- (e) There is no credible empirical evidence to support the notion that adopting an OGP system would stimulate local innovation.
- (f) It is doubtful as to whether an OGP system with substantive examination outsourced would help develop and train patent professionals.
- (g) It is doubtful as to whether the number of added jobs created for polytechnic graduates would justify the substantial resources and investment required for implementing and up-keeping an OGP system.

- (h) The availability of an OGP system is not a significant factor for deciding where to file a patent application.

(B) Re-registration System

3.5 The vast majority of respondents consider that the current re-registration system should be maintained. Some respondents suggest that the list of designated patent offices should be expanded to include other patent offices.

3.6 On the other hand, there are concerns that if the list of designated patent offices is expanded, the discrepancies between different patent systems may lead to inconsistencies in the scope of protection attached to patents based on patents granted by different designated patent offices. Some individual respondents consider it unfair for Hong Kong to re-register patents granted by other jurisdictions without reciprocity.

3.7 Others consider that no change to the present re-registration system is required.

Considerations

3.8 In the light of the diverse views received on the above issues, the Advisory Committee had focused on a more fundamental question, i.e. in what direction our patent system should go to meet the long-term economic development needs of Hong Kong, and had considered the issues from a much broader perspective, including the world economic context, the international patent landscape, Hong Kong's situation, the strengths and weaknesses of the existing patent re-registration system, and the benefits and difficulties of introducing an OGP system in Hong Kong. The Advisory Committee had also looked into the OGP systems in other jurisdictions, in particular Singapore and Macao where the substantive examinations are outsourced (a comparison of key features of their OGP systems at Annex C).

(A) World Economic Context

3.9 The multilateral trading system spearheaded by the General Agreement on Tariffs and Trade (GATT) and later the World Trade Organization (WTO) has set a sea change to the world economy, resulting in significant increase in international trade, globalisation and emergence of new economies. As the momentum continues well into the 21st century, one important consensus is that innovation is an engine of sustained economic growth in the future. This has led to ever increasing competition for talents, investment, knowledge and R&D.

3.10 Apart from the use of public funding, a policy instrument that governments may employ to promote innovation and technology is the design of their intellectual property (IP) system⁶ as part of the essential infrastructure. The “World Intellectual Property Report 2011 – The Changing Face of Innovation” states, amongst others, that IP protection is one of the important factors in deciding where to conduct R&D, while most “new-to-the-world” research is conducted either in the US or in other high-income countries where IP protection tends to be strong.⁷ It is also noted that compared to other innovation policies, IP protection stands out in that it mobilises decentralised market forces to guide R&D investment.⁸

3.11 According to a study conducted by Professor Paul Cheung Ying-sheung⁹ of the University of Hong Kong for the Advisory Committee, it is noted that R&D investment and innovation are essential for maintaining competitiveness and promoting economic growth of the economies, especially for the well-developed ones. IP-intensive industries require more investment to sustain competitiveness. In

⁶ World Intellectual Property Organization (WIPO), “World Intellectual Property Report 2011 – The Changing Face of Innovation” (p.82) (www.wipo.int/freepublications/en/intproperty/944/wipo_pub_944_2011.pdf).

⁷ See WIPO, “World Intellectual Property Report 2011 – The Changing Face of Innovation” (p.88).

⁸ See WIPO, “World Intellectual Property Report 2011 – The Changing Face of Innovation” (p.103).

⁹ Professor Cheung is a Member of the Advisory Committee.

addition to generating IP, investment in R&D leads to an increase in the value-added, revenue and export value per employee. IP-intensive industries also create more jobs and higher annual average wage per worker compared to that of the non-IP-intensive industries. As an illustration, Singapore pursued an aggressive policy in terms of increasing R&D expenditure, progressive revamp of its patent system to become an OGP one (paragraph 3.18 below), etc., and showed a more rapid growth in Gross Domestic Product (GDP) than Hong Kong in the past decade or so.

3.12 Patent protection is a key component of an IP system, as it provides incentives for private firms to carry out R&D which is financed through the market place rather than government funds. Countries with stronger patent rights tend to have greater export volume in patent-intensive sectors,¹⁰ and stronger patent rights are associated with faster industrial and economic growth.¹¹ In a research regarding the

¹⁰ See Keith E Maskus and Lei Yang, “Patent Reforms and Export Specialization”, Research paper, University of Colorado at Boulder and Hong Kong Polytechnic University, 2011 (web.lmdg.econ.au.dk/koldingfjord/maskus.pdf) –

“We find that, conditional on factor endowments and intensities, *a country with stronger PRs [patent rights] tend to have greater exports to the United States in patent-intensive sectors.*” (p. 1, emphasis added).

“The empirical results conform broadly with the underlying hypothesis that *reforms in PRs can boost export performance in sectors that rely relatively more on patent protection.* More generally, the extent of this impact differs across industries that vary in their technology content as measured by R&D as a percentage of sales. Moreover, we find that the effects of stronger PRs on exports in patent-intensive sectors are stronger in developed countries than in developing countries, but there was some convergence in these rankings late in the period. The estimation also suggests that the impacts of PRs changes are heightened in high-technology and medium-technology industries relative to low-technology industries.” (p.30, emphasis added).

¹¹ See Albert G.Z. Hu and I.P.L. Png, “Patent Rights and Economic Growth: Evidence from Cross-Country Panels of Manufacturing Industries”, Research paper, National University of Singapore, 2010 (www.comp.nus.edu.sg/~ipng/research/patent_text.pdf) –

“Using an ISIC 3-digit industry level database that spanned 54 manufacturing industries in over 72 countries between 1981-2000, we found evidence that *stronger patent rights were associated with faster industrial growth measured by value added.* The impact of the stronger effective patent rights was economically significant, and became stronger in the 1990s compared to the 1980s. Further, the impact was stronger in advanced economies than in developing economies. Stronger patent rights promoted industry growth through productivity increases in the 1981-85 and 1996-2000 periods and through more rapid factor accumulation in the 1986-90 and 1991-95 periods.” (p.25, emphasis added).

effect of patenting on start-up companies, it was found that patenting was associated with higher subsequent asset growth.¹² It has also been suggested that an effective patent regime which strengthens IP protection will help bring in foreign direct investment (FDI) and promote economic development.¹³

3.13 It is also noted that IP not only drives change in the field of innovation but is itself also impacted by the changing innovation system.¹⁴ There has been a global growing demand for IP rights. Patent applications increased across the world from 800,000 in the early 1980s to 1.8 million in 2009, with a shift towards Asian countries.¹⁵ IP rights have become increasingly tradable, with the emergence of new intermediaries and IP marketplaces.¹⁶ Companies, universities and governments are implementing new IP policies to take advantage of the trend.¹⁷ Some economies are aspiring to become IP trading hubs.

¹² See C Helmers and M Rogers, “Does Patenting Help High-Tech Start-Ups?”, Research paper, University of Oxford, 2008 (www.epip.eu/conferences/epip03/papers/Rogers_HelmertRogersEPIPpatents14092008.pdf) –

“The Heckman model finds that the association between patenting and subsequent asset growth is around 7% (i.e. a start up that patents in 1999-2001 has a 7% high annual growth rate in 2001 to 2005). The 95% confidence interval for this point estimate is between 0.5% and 12.5%. There is also some evidence that this association is higher for smaller firms. As is well known, the Heckman model results are sensitive to the assumptions it makes, suggesting that we should also note the results from the OLS estimator. ***These suggested a patent was associated with between 9% and 20% higher subsequent annual growth.***” (pp.13, 14, emphasis added).

¹³ See H G Lim et al., “Impact of the Intellectual Property System on Economic Growth, Country Report – Malaysia”, WIPO-UNU Joint Research Project paper (www.wipo.int/export/sites/www/about-ip/en/studies/pdf/wipo_unu_07_malaysia.pdf) –

“Concerning the impact of IPRs on FDI, the results show that there is a positive correlation between FDI inflows and the IP index. ***This implies that a stronger IP protection attracts more FDI inflows.***” (p.20, emphasis added).

¹⁴ See WIPO, “World Intellectual Property Report 2011 – The Changing Face of Innovation” (p.52).

¹⁵ See WIPO, “World Intellectual Property Report 2011 – The Changing Face of Innovation” (p.52).

¹⁶ See WIPO, “World Intellectual Property Report 2011 – The Changing Face of Innovation” (p.60) –

“the last decades have seen an increase in licensing and other IP-based collaborative mechanisms such as patent pools. New intermediaries and IP marketplaces have also emerged.”

¹⁷ See WIPO, “World Intellectual Property Report 2011 – The Changing Face of Innovation” (p.67).

(B) International Patent Landscape

3.14 Given the above context, the patent system of an economy plays an important role in meeting its long term economic goals. Patent registration is territorial. Most countries run their own patent offices to determine the grant of patents and to maintain autonomy of their patent systems.

3.15 Many industrialised countries have made use of patent protection as a policy instrument to promote economic growth by adopting an OGP system. This is the case for advanced economies such as the US, the UK, Germany, France, Italy and Japan. In general, an effective patent system should essentially uphold patent quality, provide a balanced dispute settlement mechanism, be user-friendly and facilitate international cooperation in extending patent protection beyond the domestic market.¹⁸

3.16 At the other end of the spectrum, many least developed or developing economies, for various economic, historical and other reasons, accept a patent granted by a recognised industrial economy and accordingly offer local patent protection. For example, the UK patent may be “automatically” extended to a number of smaller economies,¹⁹ subject to the completion of certain registration formalities. In general, these economies have rather insignificant economic powers and innovation may not be crucial at their stage of economic development.

¹⁸ See WIPO, “World Intellectual Property Report 2011 – The Changing Face of Innovation” (p.97).

¹⁹ Such small economies include, for example, Bermuda, Cayman Islands, Fiji, Gibraltar, Grenada, Guernsey, Guyana, Jersey, Kiribati, Montserrat, Nauru, Saint Helena, Saint Kitts and Nevis, Samoa, Seychelles, Solomon Islands, Turks and Caicos Islands, and Tuvalu. The UK Patent Office website listed more economies in the same category (www.ipo.gov.uk/pro-policy/policy-information/extendukip.htm). But research of this review cannot verify the information for some (e.g. Anguilla, British Virgin Islands, Falkland Islands, Sierra Leone, Isle of Man, Pitcairn Islands, Tanzania and Vanuatu) and finds that some have adopted an OGP system now (e.g. Antigua and Barbuda, Bahamas, Cyprus, Gambia, Malta, Saint Lucia, Saint Vincent and the Grenadines, Tonga and Uganda).

3.17 More relevant to the present review are economies which were or are on a similar post-GATT path of economic development as Hong Kong, such as Taiwan, Korea and Singapore (these four economies collectively referred to as “Newly Industrialized Asian Economies” by the Organization for Economic Cooperation and Development).

3.18 Taiwan and Korea adopt an OGP system, with their patent laws tracing back to 1949 and 1961 respectively. Singapore used to re-register UK patents and European patents designating the UK. In 1995, Singapore established its current OGP system, with substantive examination outsourced to other examination authorities. It has recently passed the *Patents (Amendment) Bill* which, *inter alia*, has proposed to move the OGP system in Singapore from a “self-assessment” to a “positive grant” patent system.²⁰ At the same time, the Intellectual Property Office of Singapore (IPOS) is developing in-house search and examination capabilities in key technological areas. According to the website of IPOS, the in-house search and examination (with training supported by EPO and Japan Patent Office) is expected to start operations by mid-2013.

3.19 These Asian economies are well-known for their R&D capabilities. Innovation continues to be an important driver for their future economic growth. The experiences of Singapore and Korea in adopting a proactive patent policy have been commended.²¹

²⁰ Under the “self-assessment” system, patent applications that do not fully meet patentability requirements, that is, novelty, inventive step, and industrial applicability, can still be granted. Singapore is moving towards a “positive grant” system, where only applications that fully meet the patentability requirements can be granted.

²¹ See K Idris, “Intellectual Property: A Power Tool for Economic Growth”, WIPO, 2003 (www.wipo.int/freepublications/en/intproperty/888/wipo_pub_888_1.pdf) –

“Using patents for economic development requires a pro-active patent policy (PPP) intrinsically related to economic development. The experiences of Singapore and the Republic of Korea with patent policy confirm the importance of a pro-active approach.... Handled properly, patents are efficient drivers of national innovation, R&D, product creation and business transactions that have beneficial macro and micro economic effects.” (p.17, emphasis added).

3.20 Other Asian economies are following a similar approach. Malaysia adopted a patent re-registration system until 1986, and Brunei Darrussalem, until 2011. Both now adopt an OGP system. Other ASEAN (Association of Southeast Asian Nations) countries like Thailand, Vietnam and Indonesia have also established their own OGP systems.

3.21 Mainland China, which has risen since the late 1970s and now become the “world factory”, promulgated its patent law to provide for an OGP system in 1984. Annual patent applications in 2010 amounted to over 390,000, bringing SIPO to the second place in terms of filing volume among patent authorities in the world.²² Apparently, IP protection as a policy tool is central to China’s quest for industrialisation and economic development.

3.22 A research survey of the 60 largest economies in terms of the GDP shows that 59 economies have their own OGP systems (in 1997), including economies similar in size to that of Hong Kong such as Israel, Finland and Singapore, as well as smaller economies such as Hungary and New Zealand.²³

3.23 The world patent landscape as discussed above suggests a certain degree of correlation between adopting, or migrating to, an OGP system and the stage of economic development.

3.24 To reduce duplication in efforts by applicants as well as by patent offices adopting an OGP system, it seems there is an increasing reliance on international cooperation. Through the Patent Cooperation Treaty (PCT) administered by WIPO, a national or resident of a PCT contracting state may file one “international application” with a single patent office, or with the International Bureau of WIPO in Geneva, in one language and with a single set of forms (and fees) instead of filing

²² See WIPO, “World Intellectual Property Indicators - 2011 Edition” (pp.39, 40).

²³ See Josh Lerner, “150 Years of Patent Protection”, NBER Working paper, National Bureau of Economic Research, 2000 (pp. 10-15 and Table 1) (www.nber.org/papers/w7478).

numerous separate national and/or regional patent applications. Such benefit has led to the increasing use of the PCT system.²⁴ Separately, various patent examination authorities have begun to enter into bilateral Patent Prosecution Highway (PPH)²⁵ arrangements to expedite the examination process through mutual recognitions of certain examination reports, which facilitate applicants to file patent applications in other jurisdictions.

(C) Long-term Vision of Hong Kong

3.25 As an exemplary beneficiary of the multilateral trading system, Hong Kong had transformed from an entrepôt to a light industrial economy, thriving as a base for Original Equipment Manufacture (OEM) with a limited role in innovation and R&D. The rise of other industrial economies in the region around the same time, together with the opening up of Mainland China since the late 1970s and its steadfast emergence as a world factory, have brought intense competition and significant challenges as well as opportunities to Hong Kong. Market forces have caused Hong Kong to further develop into an international financial and commercial centre. While the services sector now accounts for about 93%²⁶ of the Hong Kong economy, the industrial sector remains a key player, focusing on high value-added activities such as R&D, management (as headquarters) of manufacturing bases outside Hong

²⁴ See WIPO, “PCT Yearly Review: The International Patent System 2012 Edition” (www.wipo.int/export/sites/www/freepublications/en/patents/901/wipo_pub_901_2012.pdf) –

“International patent filings under the WIPO-administered Patent Cooperation Treaty (PCT) set a new record in 2011 with 181,900 PCT applications – a 10.7% increase on 2010 and the fastest growth since 2005.” (p. 10).

²⁵ A PPH is a bilateral agreement between two patent offices. Under a PPH agreement, a patent applicant can request an accelerated processing of the patent application at the patent office of second filing (OSF), when the patent office of first filing (OFF) has already found corresponding patent claims allowable. A PPH establishes a process whereby the OSF makes use of the work already carried out by the OFF in relation to the same invention. The OSF can process the patent application quicker because the examination process begins at a more informed level. However, the OSF is not compelled to follow the opinion of the OFF and may make its own decision on whether to grant a patent.

²⁶ See the Hong Kong fact sheet of January 2012 (www.gov.hk/en/about/abouthk/factsheets/docs/service_economy.pdf).

Kong, design and innovation, technology transfer, etc., taking full advantage of the opportunities offered by Mainland China.

3.26 In tandem, government policy has been evolving to support the economic changes. Most significantly, into the 21st century, the Administration sets out a clear vision to promote and exploit innovation and technology as drivers for future growth to race towards a knowledge-based economy amidst increasingly intense competition brought about by globalisation and in collaboration with Mainland China with all of its offerings in store.

3.27 The goal is to turn Hong Kong into an innovation and technology hub, attracting capital, talents, technology, know-how, etc., and creating a clustering effect. Accordingly, significant investments have been made by the Administration in many policy initiatives since 1999, notably –

- (a) Setting up the Innovation and Technology Fund with an injection of \$5 billion.
- (b) Establishing the Innovation and Technology Commission and the Hong Kong Applied Science and Technology Research Institute.
- (c) Developing the Hong Kong Science Park, Industrial Estates and Cyberport as essential infrastructure.
- (d) Setting up five R&D centres in five focus areas (namely (i) automotive parts and accessory systems, (ii) information and communications technologies, (iii) logistics and supply chain management enabling technologies, (iv) nanotechnology and advanced materials, and (v) textiles and clothing) to drive and co-ordinate applied R&D.

- (e) Establishing the R&D Cash Rebate Scheme to encourage more private sector investment in R&D and collaboration with public research institutions.

3.28 Such efforts are continuing. The National 12th Five-Year Plan, which was promulgated in March 2011, affirmed the Central People's Government's support for Hong Kong in furthering innovation and technology development. Through Mainland China/Hong Kong Science and Technology Cooperation Committee and working with the State Ministry of Science and Technology, the Administration has formulated and implemented initiatives to dovetail with the 12th Five-Year Plan to enhance Hong Kong's participation in the national roadmap of technology development. In addition, the governments of Hong Kong SAR and Shenzhen have formed the "Shenzhen-Hong Kong Innovation Circle" to promote technological collaboration between the two places.

3.29 In this context, the IP system is an integral part of the whole equation in the quest for innovation. The Hong Kong patent system has remained essentially one of re-registration, even after the enactment of the Ordinance in 1997 which was formulated based on the recommendations of a review conducted between 1986 and 1993 when Hong Kong had a very different economic structure from now. Although the re-registration system has served Hong Kong well for a long time, as Hong Kong moves further away from being an OEM centre, time is ripe to consider whether there are changes that may contribute better to the promotion of innovation in the long run, while preserving the strengths of the present system.

3.30 Another point to note is the feasibility for Hong Kong to promote itself as a regional IP trading hub (paragraph 3.13 above). With sound financial and legal systems, a low-tax regime and a pool of

world-class business professionals, Hong Kong has long been a jurisdiction engaging in different kinds of IP transactions. With overseas IP owners eagerly eyeing the Asian market, Hong Kong is well placed to develop into a regional market place for providing professional services in licensing, franchising and registration in the IP fields.²⁷ One key factor to such possible development would be the supply of talents and expertise in various professional services, in particular IP practitioners.

(D) Strengths and Weaknesses of the Existing Patent Re-registration System

3.31 As brought out by the consultation exercise, Hong Kong's re-registration system enjoys much notable strength. The majority of respondents support its retention irrespective of whether an OGP system will be set up in Hong Kong. The strengths of the current re-registration system are set out below –

(a) Strong IP protection

All three designated patent offices conduct in-house substantive examination for patent applications. The quality of the patents granted is high and on par with international standards. There is a well established legal system in Hong Kong for enforcing patent rights. Hong Kong also provides first-class dispute resolution services that meet the needs of different stakeholders.

²⁷ Development of IP trading activities has been happening in Hong Kong. As a regional platform for technology trading, Hong Kong exported US\$1.1 billion in technology to Mainland China in 2010. That put Hong Kong sixth in the world in taking technology to Mainland China. See Trade Development Council, "Hong Kong grows as a regional intellectual property market", September 2012.

(b) Cost-effectiveness

Many applicants for standard patents in Hong Kong also seek patent protection in other economies, including our major trading partners Europe and Mainland China. If the applicants have already applied for a patent in one of the designated patent offices, the time and costs for obtaining a standard patent in Hong Kong are fairly insignificant, with good assurance about the validity of their patents.²⁸

(c) User-friendliness

The present system is generally seen as user-friendly. It allows applications to be filed in either English or Chinese. Applicants may communicate directly with the Patents Registry. Examinations are mainly a matter of formality checking instead of substantive examination on patentability.

(d) Credibility of the system

The system has been operating effectively since 1997 and local and overseas users are very familiar with the procedures and practices in relation to filing patent applications in Hong Kong. Together with the high quality of patents granted, the system has high credibility.

3.32 Nevertheless, there are also weaknesses inherent to a re-registration system dependent on original patents granted elsewhere as set out below –

²⁸ There could be no total assurance of validity even for patents granted after substantive examination, as such patents may still be the subject of revocation proceedings on the ground that the invention is not a patentable invention.

(a) Lack of control

Given the crucial role played by patent institutions in shaping innovation incentives,²⁹ the current system does not allow control over essential matters to ensure that it is meeting the changing needs of Hong Kong. For instance, the time required to process the designated patent applications (an average of 25 months in SIPO, and 43.9 months at EPO),³⁰ the cost and fee structure, and the patent standards are, to a certain extent, affected by the laws and practices of the designated patent offices.

(b) Inconvenience to local inventors

An applicant who wants to seek patent protection in Hong Kong alone cannot apply for a standard patent directly in Hong Kong. He has to first file a patent application at one of the designated patent offices. The application takes time and may involve complicated procedures. It may be costly, as foreign patent agents have to be engaged and extra filing costs are charged for filing an application at the designated office. This extra step of filing the

²⁹ See WIPO, “World Intellectual Property Report 2011 – The Changing Face of Innovation” (p.12) –

“economic research has come to recognise the crucial role played by patent institutions in shaping innovation incentives. Patent institutions perform the essential tasks of ensuring the quality of patents granted and providing balanced dispute resolution. Unprecedented levels of patenting have put these institutions under considerable pressure. Many patent offices have seen growing backlogs of pending applications.” “The choices patent offices face can have far-reaching consequences on incentives to innovate. These include the amount of fees to charge, how to involve third parties in the patenting process, how best to make use of [Information and Communication Technologies] and the level and type of international cooperation to pursue. In making these choices, a key challenge is to reconcile incentives for efficient office operations with a patenting process that promotes society’s best interest.”

³⁰ The average duration is calculated according to the patent examination pendency between 2005 and 2009 stated in the Annual Reports of EPO and SIPO.

designated application may discourage domestic inventor who merely wants to apply for a domestic patent.³¹

(c) Positioning of our patent system

A re-registration system may be perceived as a second-grade patent system given the international trend of adopting or moving towards OGP systems. This perception does not facilitate Hong Kong in promoting innovation or developing into an IP trading hub. Given competing choices of places to invest in R&D activities, some enterprises might not perceive Hong Kong, being outside the OGP mainstream, to be very attractive.

(E) Benefits of an OGP System vis-à-vis Re-registration

3.33 The following is a list of the various benefits of an OGP system that are not necessarily available in a re-registration system –

(a) Promotion of R&D and related investment

An OGP system tailor-designed to meet the specific needs of Hong Kong, provided that it is effective in ensuring patent quality and stringent IP protection, may facilitate Hong Kong to develop into an innovation and technology hub in the long run. It may attract and encourage local and foreign enterprises to make R&D investment and set up their operations in Hong Kong. With more innovations and inventions being originated domestically, Hong Kong may be promoted as the place of first-filing of patent applications.

³¹ See Biswajit Dhar and C. Niranjan Rao, “International Patent System: An Empirical Analysis”, 2002 (p.20) (www.wipo.int/export/sites/www/about-ip/en/studies/pdf/study_b_dhar.pdf).

(b) Autonomy

An OGP system would allow Hong Kong to determine patentability criteria and standards, procedures, practices and other matters in accordance with our own requirements, in a way that would best meet the economic needs of Hong Kong.

(c) Positioning of Hong Kong on the world IP map

Establishing our own OGP system may demonstrate to inventors, investors and traders alike Hong Kong's commitment to IP protection by developing a patent system on par with those of advanced economies and others which aspire to drive economic growth through innovation, thereby raising the international profile of Hong Kong.

(d) User-friendliness for local applicants

An OGP system would allow local applicants to obtain patent protection in Hong Kong directly, without first going through another designated office. For those applicants who only want to obtain patents in Hong Kong, this direct filing route is more efficient and user-friendly. Besides, applicants may communicate directly with the Patents Registry or local agents, without the need to engage foreign patent agents for communicating with the designated office.

(e) Development of human capital

An OGP system could create opportunities for Hong Kong in terms of nurturing and attracting talents,

stimulating the growth of patent agency business and widening career paths for graduates with science and engineering degrees. It is noted that some educational institutions in Hong Kong have started conducting courses in relation to patent-related services.³² An OGP system may encourage more education institutions in Hong Kong to provide courses in this area to nurture the required human capital.

(f) Development of patent examination capacity

Even if outsourcing is the initial arrangement to make, an OGP system may provide a basis or starting point for Hong Kong to develop its own patent examination capacity in the long run to perfect the Hong Kong patent system, which should be the ultimate goal to be achieved.

(g) Starting point of international cooperation

With an OGP system, Hong Kong may explore further international cooperation opportunities, such as the PPH and PCT arrangements, in facilitating local patent applicants to obtain patent protection in other jurisdictions.

(h) Business case

Subject to negotiation and agreement with relevant examination authorities on possible outsourcing arrangements, appealing features may be built into

³² As an illustration, the University of Hong Kong has been offering the SEAD course in relation to patent drafting conducted by overseas registered patent agents/attorneys.

the OGP system so as to attract applicants to use it instead of the current re-registration system. Such features may include, *inter alia*, the speed of processing an OGP application, the language requirement, the direct communication between the applicant and the examiner, the recognition of the substantive examination result by other patent offices, etc.

(F) Difficulties in Introducing an OGP System

3.34 On the other hand, the Advisory Committee noted the following difficulties in introducing an OGP system –

(a) Effectiveness of the patent system

In establishing an OGP system, it is important to ensure high quality and strong protection of the patents granted, as well as to maintain a user-friendly system. Careful and detailed planning in advance for implementation would be necessary.

(b) Talents

Based on overseas experience, a large number of technical experts will be required for developing an OGP system with search and examination capabilities. The local supply of talents may not be sufficient in the short to medium term as currently there are not many institutions providing courses related to professional patent services in Hong Kong.

(c) Library/Database

There is no existing library/database at the Patents Registry which provides the reference materials in the science and engineering aspects involved in substantive examination. Considerable resources have to be assigned to build such infrastructure.

(d) Time required

Setting up an OGP system with substantive examination capability would take substantial time as it requires, *inter alia*, the building up of technical expertise, comprehensive databases and infrastructure, the drafting of procedures and manuals for examination, and the setting up of a review mechanism. Legislative change is also required. Taking Singapore as an example, it will have taken more than 17 years before it starts conducting its own substantive examination after adopting an OGP system in 1995 (paragraph 3.18 above).

(e) Outsourcing as an interim arrangement

The above difficulties may be mitigated to a certain extent by outsourcing the substantive examination to other patent offices, which may be a more feasible approach in the short to medium term. But the arrangement itself is not straight-forward, with all the necessary negotiations with the potential outsourcing patent offices on the implementation of substantive examination, regarding for example, the examination standards, the procedure and interface for document transfer, and the review mechanism.

(f) Costs

Considerable costs will inevitably be incurred in setting up and running an OGP system. Currently, the fees charged by the Patents Registry are set at a cost recovery level in accordance with section 149(6) of the Ordinance. There are concerns about whether there will be sufficient market demand to make a business case for the OGP system. Some see any government subsidy unfair.

(G) Case for Expansion of the Re-registration System

3.35 While there is general consensus from the consultation exercise to retain the re-registration system, some further suggest an expansion in the recognition of patents granted by other patent offices, in addition to the three current designated patent offices. Some implications are pertinent –

(a) Entrenchment of the re-registration system

Expanding the recognition of foreign patents would entrench the re-registration system and go against the general direction of setting up an OGP system in Hong Kong. In taking Hong Kong's patent system forward, it is for consideration that an exclusive approach should be followed to avoid sending conflicting signals to stakeholders.

(b) Benefits and costs

Expanding the recognition of foreign patents does not appear to add much benefit to what we are

already enjoying under the present system. On the contrary, the addition of other patent authorities may complicate the existing system. The discrepancies between different patent systems may also lead to inconsistencies in the scope of protection attached to patents based on patents granted by different designated patent offices.³³

The Direction for Change

3.36 The Advisory Committee reviewed all of the above considerations and agreed that a long-term strategic view on the future patent system for Hong Kong should be taken, which should not be clouded by immediate difficulties. The next step to take, even on a pilot basis, should help Hong Kong to develop into a regional innovation and technology hub, taking advantage of the opportunities offered by Mainland China, as well as the increasing demand for and tradability in IP rights.

3.37 In this light, the Advisory Committee favours moving towards the OGP direction, accepting that some of the perceived difficulties are genuine concerns but not insurmountable. Most importantly, the way forward to take must not be at the expense of compromising patent quality, user-friendliness and effectiveness of our present patent system. With reference to the three options set out in the Consultation Paper (paragraph 3.1 above) –

- (a) Option 1 appears too ambitious, running a high risk of compromising the patent quality and general effectiveness of our patent system. It is contrary to

³³ The selection of the current three designated patent offices is more historical. The UK Patent Office and EPO (for applications designating UK) were included to preserve the pre-1997 position, while SIPO was added because of the relationship between Hong Kong and Mainland China after China assumed sovereignty in 1997.

the consensual views from the consultation exercise that the re-registration system should be maintained regardless whether there is an OGP system.

- (b) Option 2 offers a way forward which is more in line with the long-term vision of developing Hong Kong into a regional innovation and technology hub.
- (c) Option 3 will entrench Hong Kong at where it is, which may thus lose the opportunity to nurture its human, structural and relational capital, and therefore, compromise its competitiveness and economic growth.

Recommendations

3.38 To conclude, having regard to the long term economic development needs of Hong Kong, the Advisory Committee agrees that it is time for Hong Kong to adjust its patent system as part of the infrastructure which will help Hong Kong achieve its vision of becoming a world class innovation and technology hub, and to keep up with the patent systems of the other developed or developing countries. It recommends Option 2 as the most logical direction to take: introduce an OGP system with substantive examination outsourced to other patent offices whilst retaining the current re-registration system.

3.39 The Advisory Committee also suggests the following preliminary parameters in further exploring Option 2 –

- (a) In order to reap as much as possible the benefit of an OGP system as envisaged, it is important for Hong Kong to develop in the long run a full-fledged version with indigenous substantive patent examination capacity (in specific areas where appropriate).

- (b) Building indigenous substantive patent examination capacity will take time. As a start, Hong Kong should outsource substantive examination to one or more reputable and authoritative patent office(s) so as to ensure the high quality of the patents granted under the new regime.
- (c) There should be careful planning on the implementation details, notably the outsourcing office(s) and arrangements, for tackling the difficulties as envisaged (paragraph 3.34 above), and building in appealing features or advantages to attract users (paragraph 3.33 above).
- (d) Meanwhile the present re-registration system should continue to run in parallel to the OGP system, with no expansion of the possible designated patent offices, to ensure continuous strengths of the patent system. While users may have a choice between the two, they should be encouraged to take advantage of the local OGP route.
- (e) Such a modest approach may help strengthen Hong Kong's IP infrastructure to accumulate expertise and experience, nurture our own human capital (especially in science and engineering disciplines that support our niche industries or sectors³⁴) and encourage development of the patent agency business. It may also form a basis to explore further advantages of an OGP system (like PPH against an outsourcing background) (paragraph 3.33(h) above).

³⁴ cf. the five focus areas of the government-sponsored R&D centres (paragraph 3.27(d) above).

- (f) Depending on users' acceptance of the new regime and positive developments that may be brought about, consideration should be given to developing in incremental stages in-house substantive patent examination capacity (at least focusing on some specific technological areas on which Hong Kong has acquired considerable expertise).

3.40 The Advisory Committee will further advise the Administration after the latter has taken a decision on the way forward and map out the implementation details in the light of the above recommendations.

CHAPTER 4

Short-term Patents

Options

4.1 The Advisory Committee explored the following three options as set out in paragraphs 2.27 to 2.30 of the Consultation Paper –

- (a) Option 1 : maintain the status quo of the short-term patent system;
- (b) Option 2: refine the short-term patent system; and
- (c) Option 3: discontinue the short-term patent system.

Views from the Public Consultation

4.2 The vast majority of respondents to the public consultation consider that the short-term patent system should be retained.

4.3 While some consider that no change is required, others favour changes in the following aspects –

- (a) Substantive examination of short-term patents

Quite a number of the respondents oppose the introduction of substantive examination to the short-term patent system as this would defeat the purpose of short-term patents in offering a fast and inexpensive means of protection. However, there are suggestions on requiring substantive

examination before commencement of infringement proceedings.

- (b) Extending the maximum term of protection of short-term patents

Some respondents do not see the need for change of the maximum term of protection while others support an extension from eight to 10 years, which should be more in line with the international trend.

- (c) Increasing the maximum number of independent claims

Views from respondents varied on this. While some prefer keeping the system simple, there are suggestions that more claims can be allowed against payment of higher application fees.

- (d) Modifying the groundless threats provisions under section 89 of the Ordinance

Some respondents have mentioned that the provisions on groundless threats should be strengthened, e.g. a threat should be considered unjustified if the short-term patent was granted on the basis of an “unclean” search report.

Overview

4.4 In considering the way forward for the short-term patent system, the Advisory Committee had taken into account views received

on the above issues, as well as the special role of the short-term patent system in Hong Kong, which is to supplement the standard patent system by offering protection to inventions with a shorter commercial life cycle. The Advisory Committee had also looked into other jurisdictions which have a lesser patent system similar to the short-term patent system in Hong Kong, including Australia, Mainland China, Denmark, Germany and Japan (a comparison of key features of their lesser patent systems at Annex D).

Retention of the Short-term Patent System

Considerations

4.5 Unlike the re-registration system for standard patents which could be traced back to the early 20th century, the short-term patent system was only introduced in Hong Kong in 1997 when our patent system was localised.³⁵ There have since been a good number of applications and subsequent grants of short-term patents.³⁶ It is apparent that the short-term patent system is serving the intended purposes by offering a fast and inexpensive means of protecting inventions with a limited commercial life span in the market. It encourages local inventions for exploiting the indigenous market early, without the need for seeking full-fledged standard patent protection first in one of the three designated patent offices outside Hong Kong which may otherwise incur considerable time and expenses.

4.6 The present system also has the advantage of providing a convenient and inexpensive way of securing a Paris Convention priority date for subsequent standard patent application elsewhere or in Hong

³⁵ Enacted in 1997, the Ordinance repealed the then Registration of Patents Ordinance which hitherto provided for re-registration of patents obtained in the UK and EPO (designating the UK).

³⁶ See Annex E.

Kong. This should not only help incubate new and developing technology-based companies but also encourage local and outside investors to build R&D capability in Hong Kong. This is all the more important with our aspiration to become an innovation and technology hub.

4.7 The retention of the short-term patent system would also be compatible with the introduction of an OGP system in Hong Kong as recommended in Chapter 3. The proposed new OGP system may naturally become the full-fledged infrastructure for granting standard patents with all the rigours of formalities and substantive examinations. The original objective of providing for a supplementary short-term patent system with mitigating features but lesser protection will remain valid without conflicting with the proposed OGP system. Several overseas jurisdictions (paragraph 4.4 above) have also established a dual patent system by running an OGP system and a lesser patent system in parallel.

Recommendation

4.8 In light of the aforesaid considerations, the Advisory Committee recommends that the short-term patent system should be retained.

Possible Changes for Refinement

4.9 The following changes had been considered by the Advisory Committee –

- (a) Introducing substantive examination into the short-term patent system.
- (b) Extending the maximum term of protection.

- (c) Relaxing the number of independent claims.
- (d) Lowering the patentability criteria.

(A) Substantive Examination of Short-term Patents

4.10 A mechanism for substantive examination may deter abuse, reduce litigation and discourage registration of non-patentable inventions on the one hand, but impair the user-friendliness and increase costs on the other. The following questions were set out in the Consultation Paper –

- (a) Timing – whether substantive examination should be carried out before or after the short-term patent is granted, and if it is to be carried out after grant, at what point of time should it be carried out (paragraphs 4.11 - 4.21 below)?
- (b) Mandatory or optional – whether substantive examination should be made a mandatory requirement or optional, for example, whether it should be a condition for commencement of infringement proceedings (paragraphs 4.11 - 4.21 below)?
- (c) Who may request substantive examination – if substantive examination is optional, whether the patent owner or a third party or both should be able to request substantive examination (paragraphs 4.22 - 4.23 below)?

- (d) Who should pay for the costs of the substantive examination – if substantive examination may be requested by a third party, whether the costs should be borne by the patent owner, the third party, or split between them (paragraphs 4.24 - 4.27 below)?

Timing and mandatory/optional (questions (a) and (b) of paragraph 4.10 above)

Considerations

4.11 The imposition of a mandatory requirement of substantive examination before grant would defeat the underlying purpose served by the short-term patent system. On the other hand, requiring substantive examination before commencement of an infringement action regardless of whether the short-term patent at issue was granted on the basis of a “clean” report can assist the court in determining the patent validity issue.

4.12 The existing Patents Ordinance contains provisions governing court proceedings in relation to short-term patents. Section 129(1) of the Ordinance provides that in any proceedings before a court for the enforcement of rights conferred under the Ordinance in relation to a short-term patent –

- (a) It is for the patent owner to establish the validity of the patent, and the fact that the patent has been granted shall be of no account in that regard.
- (b) Evidence by the patent owner which is sufficient to establish prima facie the validity of the patent shall

in the absence of evidence to the contrary be sufficient proof of such validity.³⁷

4.13 The suggestion of requiring substantive examination of a short-term patent before court proceedings is in line with the principle enshrined in section 129(1) by putting the onus of proof of patent validity on the patent owner, and the proposed substantive examination may be introduced as a tightening or elaboration of the current statutory requirements.

4.14 As regards the pre-action stage concerning the making of threats of proceedings, such threats (for example those made at trade fairs) can be insidious and intimidating in nature. The patentee who is making the threat normally has better support and resources, and may also be legally represented. If the recipient of the threat is not suitably advised or cannot afford legal representation, he/she is likely to succumb to that threat. It is not in the public interest for a patentee to make a threat of infringement proceedings merely based on a non-examined short-term patent which does not in fact meet the patentability requirements. There are suggestions on whether substantive examination of a short-term patent should be required before a short-term patentee can make a threat of intended infringement action (as opposed to commencing infringement proceedings).

4.15 The existing Patents Ordinance has provided for a safeguard against abuse in its section 89 entitled “Remedy for groundless threats of infringement proceedings”. In essence, section 89(1) provides that a person aggrieved by such threats may bring court proceedings against the patent owner (or any other person making the threats) to seek relief.

³⁷ There is no similar provision in relation to standard patents, as apparently such patents have already been subject to substantive examination when first registered in a designated patent office outside Hong Kong.

Section 89(2) further provides that the person aggrieved by the threats would be entitled to the relief unless –

- (a) the defendant (for example, the patent owner) proves that the acts in respect of which proceedings were threatened constitute, or if done, would constitute an infringement of a patent; and
- (b) the patent alleged to be infringed is not shown by the plaintiff (i.e. the person aggrieved by the threats) to be invalid in a relevant respect.

4.16 The above condition (b) imposed by section 89(2) carries a presumption of validity of a patent grant, and seemingly raises an inconsistency with section 129(1) of the Ordinance as far as short-term patents are concerned.³⁸

4.17 To reconcile the matter and to consider the question of whether to make substantive examination of short-term patents as a pre-requisite for making threats of infringement proceedings, one needs to bear in mind the basic point that a short-term patent needs no substantive validity check before registration in Hong Kong and it should be reasonable for the one relying on it to provide certain proof as to its validity. The issues are how best for the system to strike a reasonable balance between the legitimate interest of a patentee and that of a recipient of a threat of infringement actions and to save potential costs in formal court proceedings which may be presided over by non-specialist judges by tackling technical issues beforehand as far as possible.

³⁸ There is no such perception of inconsistency in the case of standard patents to which section 89 equally applies, as apparently such patents have already undergone substantive examination upon their first grant in a designated patent office outside Hong Kong. Section 89 is similar to a corresponding provision in the Patents Act 1977 of the UK which does not have a lesser patent system.

4.18 Should substantive examination of short-term patents be made a pre-requisite requirement for making threats of infringement proceedings, it might have the practical effect of requiring a short-term patentee to obtain an examination report as early as possible (given the time and efforts required) before the occurrence of an infringement in order to avoid delay in enforcing his patent rights. This would in a way equate a short-term patent with a standard patent, which may be seen as contrary to the underlying rationale of the short-term patent system.

4.19 It would appear more reasonable to require the patentee to provide sufficient information of the patent and supporting documents when making the threats to facilitate the threatened party in making an informed decision of whether and how to respond to the threats. Legislative amendments may be necessary to provide for such a requirement and a remedy for non-compliance and to ensure the proper burden of proof in related court proceedings.³⁹

4.20 As regards the authority that could carry out substantive examination in relation to enforcement of short-term patents discussed above, the outsourced examination authority(ies) for the new OGP system would appear to be a natural choice. That said, this may be a potential

³⁹ In respect of overseas precedents, Australia, being the only common law jurisdiction amongst the five overseas jurisdictions studied in the Consultation Paper that have lesser patent systems comparable to the Hong Kong short-term patent system (Annex D), has a statutory provision to the effect that if threats are made based on an innovation patent (the Australian lesser patent system) which has not been certified, such threats are considered unjustifiable (Section 129A(1) of the Patents Act 1990). The person aggrieved may then apply to the court for an injunction against the continuance of the threats and the recovery of any damages sustained by the applicant as a result of the threats.

Certification of an innovation patent in Australia refers to a post-grant procedure in which a patent owner or a third party may, at any time after grant of an innovation patent, requests the Commissioner of Patents to conduct substantive examination. The Commissioner must examine the specification relating to the innovation patent to ascertain whether it meets certain requirements. If the Commissioner is satisfied that the innovation patent meets the requirements, a certificate of examination will be issued to the patent owner and the innovation patent will be regarded as certified. If the innovation patent fails to meet the requirements, it will be revoked by the patent office. An appeal may be filed at the Federal Court against the patent office's decision to revoke the innovation patent.

area where the Patents Registry may explore to play a more involved role, as the experience may assist development of our own substantive examination capacity under the OGP system.

Recommendations

4.21 In the above light, the Advisory Committee makes the following recommendations –

- (a) Substantive examination should be made a pre-requisite to commencement of infringement proceedings.
- (b) A short-term patentee, when making a threat of infringement actions, should furnish the person to whom the threat was made full particulars about the short-term patent in question, including, in particular, the search report(s) and any other relevant documentation (including but not limited to details of amendment to the patent, if any) in support of the threat.
- (c) A failure to produce the requisite supporting documents on the part of the patentee who makes a threat of infringement proceedings should have the legal effect of rendering the threat groundless, which enables the party aggrieved by the threat to seek a legal remedy.
- (d) Appropriate legislative amendments should be considered to give effect to the above and to address

the inconsistency in the burden of proof of patent validity as contained in the existing section 89(2) in relation to short-term patents.

- (e) The Patents Registry may take advantage of the above new enforcement requirements of short-term patents to explore a more involved role in working with the outsourced examination authority(ies) to meet the possible demands.

Who may request substantive examination (question (c) of paragraph 4.10 above)

Considerations

4.22 Apart from the patentees who may request substantive examination of their patents at any time to support their enforcement actions, a third party having a legitimate concern or doubt about the validity of a short-term patent should be allowed to request substantive examination of the patent. This is in line with the safeguard against abuse in the current section 91 of the Ordinance which provides for an option for any person to initiate court proceedings to revoke a granted short-term patent on the ground that the invention is not patentable. Amongst the five jurisdictions with lesser patent systems as studied in the Consultation Paper, Australia, Denmark, Germany and Japan also permit a patentee and a third party to request substantive examination of the lesser patent.

Recommendation

4.23 In the above light, the Advisory Committee recommends that both the patentees and third parties having a legitimate concern or doubt

about the validity of a short-term patent should have the right to apply to the Patents Registry for substantive examination of a short-term patent.

Which party should pay for the costs of substantive examination (question (d) of paragraph 4.10 above)

Considerations

4.24 The official application fee for substantive examination is normally payable by the applicant. This is consistent with overseas practice.⁴⁰

4.25 Apart from examination fees, costs such as the professional charges of patent agents or attorneys may have to be incurred on the part of the patentee for responding to queries raised by the examination authority.

4.26 Generally speaking, where the costs in relation to substantive examination have been incurred in relation to a particular proceeding, they may be recoverable under the general costs rule, in particular, that costs should follow the event.

Recommendation

4.27 The Advisory Committee recommends that the official fees for substantive examination of a short-term patent should be payable by the person making the request for such examination.

⁴⁰ This is the position in the four comparable overseas jurisdictions in Denmark, Germany and Japan although Australia specifically provides that in a case where a third party requests a substantive examination report, half of the fee will be paid by the party making the request and the other half by the patent owner.

(B) Extending the Maximum Term of Protection

Considerations

4.28 Amongst the five jurisdictions with lesser patent systems as set out in Annex D, the maximum term of protection of innovation patents in Australia is eight years, whereas the maximum term of protection of lesser patents in the other four jurisdictions, namely Mainland China, Denmark, Germany and Japan, is 10 years.

4.29 An obvious benefit is that extending the eight-year term of protection would enable the patentee to have extra time to market and realise additional commercial gain from the invention.

4.30 On the other hand, extending the maximum term of protection of a short-term patent will lengthen the period of time during which members of the public cannot freely use the patented invention for commercial purpose without the consent of the patentee. Besides, taking into account the fact that short-term patents are catered for inventions with a short commercial life cycle, extending the current maximum term of protection may not be seen as consistent with the original intention underlying the introduction of the short-term patent system.

Recommendation

4.31 In view of the above considerations, the Advisory Committee takes the view that the maximum term of protection should be maintained.

(C) Increasing the Maximum Number of Independent Claims

Considerations

4.32 As the short-term patent system is an unexamined system, there always exists an inherent uncertainty in the validity of the patent granted. The current restriction in the number of independent claims can serve to keep the patent claims as simple as possible.

4.33 Relaxing the current restriction may increase the degree of uncertainty in terms of the validity of short-term patents. This may not be commensurate with the original intention underlying the introduction of a simple and speedy short-term patent system. Further, allowing multiple independent claims in a single application may add incentives for one to apply for a short-term patent not meeting the patentability requirements thereby aggravating the potential room for abuse of the short-term patent system.

4.34 Nevertheless, allowing short-term patent applications with multiple independent claims can reduce the costs of obtaining short-term patent protection and increase the flexibility of the system. In particular, there is a case to further explore the possibility of allowing one short-term patent application to have not more than one independent claim for a product and one independent claim for a process, provided that they are related to one single invention.

Recommendation

4.35 The Advisory Committee recommends further exploring the possibility of allowing one short-term patent application to have not more than one independent claim for a product and one independent claim for a process, provided that they relate to one single invention.

(D) Lower the Patentability Criteria

Considerations

4.36 Of the five jurisdictions surveyed (Annex D), the lesser patents granted at least in Australia and Japan have a relatively lower inventive threshold.

4.37 The present short-term patent system has the advantage of providing a convenient and inexpensive way of securing a Paris Convention priority date for subsequent standard patent application elsewhere or in Hong Kong. If the patentability criteria of short-term patents are lowered, the filing of a short-term patent with a lower patentability might no longer be good enough to support a subsequent standard patent application.

4.38 Further, the benefits of practitioners' and users' familiarity with the current patentability requirements and availability of case law on the standards to be met would be lost if the criteria are indeed lowered.

Recommendation

4.39 The Advisory Committee thus recommends that the current patentability criteria of short-term patents should be maintained.

Summing Up

4.40 To recap, the Advisory Committee recommends retention of the short-term patent system with a number of refinements in the direction proposed above, i.e. Option 2 of the Consultation Paper (paragraph 4.1 above).

CHAPTER 5

Regulation of Patent Agency Services

Options

5.1 The Advisory Committee explored the following two options as set out in paragraph 3.16 of the Consultation Paper –

- (a) Option 1: maintain the status quo; and
- (b) Option 2: establish a regulatory regime for providers of patent agency services.

Views from the Public Consultation

5.2 The Advisory Committee noted the views from the public consultation exercise, which are summarised as follows –

- (a) Most respondents support some kinds of regulation on patent agency services. Some respondents are of the view that a local regulatory regime for providers of patent agency services should be set up in any event whereas others consider that a local regulatory regime should be required only upon introduction of an OGP system in Hong Kong.
- (b) There are however different views amongst those who support a regulatory regime as to whether the provision of all or some of the patent-related services should be restricted to persons meeting certain qualifications or requirements, or whether restrictions should only be imposed on the use of particular titles.

- (c) There are also some concerns that regulation may drive up fees of patent agency services, and some consider that no regulation is better than poor, ambiguous or sub-standard regulation.

Overview

5.3 The Ordinance and Patents (General) Rules (Cap. 514C) enable the Registrar of Patents to exercise some regulatory powers over patent agents to the extent that he shall refuse to recognise as an agent a person who neither resides nor has a place of business in Hong Kong,⁴¹ and that he may refuse to recognise any agent under certain circumstances, such as where the person has been convicted of a criminal offence.⁴² Other than the above provisions, there is no statutory regulation governing the provision of patent agency services in Hong Kong.

5.4 In considering the way forward for the regulation of patent agency services in Hong Kong, the Advisory Committee had taken into account views received on the issue, as well as the possible future developments in the standard patent and short-term patent systems, in particular, whether an OGP system would be established. The Advisory Committee had also looked into the regulatory framework in several overseas jurisdictions which have an OGP system, including Australia, Mainland China, European Patent Convention countries, New Zealand, Singapore and the US (Annex F).

⁴¹ Section 140(4) of the Ordinance.

⁴² Section 85(7) of the Patents (General) Rules.

Whether to Regulate or Not

Considerations

(A) Costs and Benefits

5.5 In determining whether to establish a regulatory framework for providers of patent agency services in Hong Kong, the Advisory Committee noted the need for striking a balance between the costs of regulating the profession and the benefits to users of the services, including benefits in terms of access to and the quality of such services.

5.6 From the users' perspective, a non-regulatory regime offers more flexibility in terms of choice of patent agency services. This may also promote competition amongst service providers, thus keeping the fees down. Indeed, there were concerns raised in the public consultation exercise that the extra cost of regulating the agency services would be passed onto users.

5.7 On the other hand, in an unregulated regime, any person, with or without the relevant technical and/or legal expertise, may claim to be a patent practitioner. As such, there is inevitably less assurance of the service quality. Further, some users may have difficulty under an unregulated regime in seeking the appropriate agents which are competent to provide the services required by the users. The above considerations would become more pertinent when an OGP system is in operation.

(B) To Complement the Overall Direction of Hong Kong Moving towards an OGP system and Proposed Refinements to the Short-term Patent System

5.8 The adoption of an OGP system in Hong Kong (Chapter 3 above) which requires substantive examination of standard patent applications, and the proposed refinements to the short-term patent system which require substantive examination before commencement of

infringement proceedings (Chapter 4 above) would increase the demand for competent patent agents with the necessary professional qualifications and experience, particularly in technical areas covering drafting patent specification and claims, responding to technical queries on patentability raised by examiners, and advising on patent validity and infringement issues. Regulating the agency services may not only help build a local patent profession that is competent to carry out the above technical tasks, but also nurture a talent pool by creating more career opportunities for local graduates with science, engineering or other technical background to enter the profession. A strong patent profession and a competent talent pool are complementary components to an OGP system, contributing to developing Hong Kong as an innovation and technology hub.

(C) Positions in Selected Overseas Jurisdictions

5.9 From the Administration's study (Annex F), it appears generally that the patent agent profession is regulated under a statutory regime in jurisdictions with an OGP system. In particular, it is noted that –

- (a) The majority of the overseas jurisdictions studied by the Administration including Australia, Mainland China, European Patent Convention countries, New Zealand, Singapore and the US limit the provision of patent agency services to registered patent attorneys/agents who have acquired certain prescribed professional qualifications.⁴³
- (b) The UK restricts the use of titles such as “patent agents” or “patent attorneys” to those who are qualified, without restricting who can provide patent-related services.

⁴³ In Australia, European Patent Convention countries, New Zealand and Singapore, legal practitioners may also be allowed to act for parties in patent-related proceedings.

- (c) In each of the jurisdictions studied which has a regulatory regime on the patent agent profession, recognition of patent agents/attorneys is based on its own independent accreditation scheme for the profession.
- (d) Macao which also operates an OGP system has not established a regulatory regime for patent agency services so far.

Recommendation

5.10 In light of the aforesaid considerations, the Advisory Committee recommends that Hong Kong should establish a regulatory regime for providers of patent agency services (Option 2 in paragraph 5.1 above).

5.11 The Advisory Committee also considered the form and scope of regulation as set out in the following paragraphs.

The Form and Scope of Regulation

5.12 The following issues were posed by the Consultation Paper for public consultation, on the assumption that a regulatory regime is to be introduced for providers of patent agency services –

- (a) Should we restrict the provision of such services to persons meeting certain qualifications or requirements only? Or should we limit the use of particular titles only but allow the provision of such services by any person?

- (b) Should the regulation apply to all types of patent agency services or only certain services, e.g. the drafting and amendment of patent specification under an OGP system?

5.13 On the above issues, the Advisory Committee considered the following options –

- (a) Option A:

To regulate the provision of either –

- (i) all patent-related services (including services for re-registration); or
- (ii) only services that involve technical expertise (mainly under the OGP system e.g. drafting patent specification and claims, conducting clearance search, advising on responding to the queries on patentability raised by examiners, giving advice on the validity or infringement of patents)

so that only qualified persons or firms may provide such services; and/or

- (b) Option B:

To limit the use of particular titles such as “patent agents” and “patent attorneys” to qualified persons or qualified firms.⁴⁴

⁴⁴ Option B may be pursued as a corollary to Option A, or exclusively in its own right.

Considerations

5.14 In assessing Options A and B, the Advisory Committee had taken into account a number of factors as set out in the following paragraphs.

(A) Quality of Services

5.15 Regulating all patent-related services under Option A(i) may better assure the service quality across the board, including the handling of re-registration which involves mainly procedural matters whereas Option A(ii) will confine the regulation to those types of patent agency services that require technical expertise, particularly in those areas identified in paragraph 5.8 above where service quality is of principal concern.⁴⁵

5.16 The adoption of Option B alone will allow provision of patent-related services by non-qualified agents or firms so long as they do not use the regulated titles. It will then be up to the users to decide whether or not patent service providers with the regulated titles should be hired to represent them in individual cases. Accordingly, the “caveat emptor” remains to be the cardinal principle of Option B.

(B) Costs

5.17 Option A may add to the operation costs of agents. In particular, for Option A(i), agency firms which currently only handle patent re-registration in Hong Kong may not have qualified persons

⁴⁵ In this regard, the Advisory Committee noted that the practices in other overseas jurisdictions studied by the Administration (see paragraph 5.9 and footnote 43 above) may provide a useful reference.

working with them and will need to incur extra costs in hiring such persons under the future regime, which may result in an increase in fees to be passed onto users in turn.

5.18 On the other hand, implementing Option B alone will still allow the users to choose between agents with or without the regulated titles, depending on their own needs in individual cases. The user-pay principle is more enshrined.

(C) Nurturing a Strong Patent Profession

5.19 From a strategic viewpoint of supporting the overall development of Hong Kong as an innovation and technology hub (paragraph 3.27 above), there may be a case for expediting the building up of a strong patent agent profession as a complementary component to the introduction of an OGP system as well as the proposed refined short-term patent system.

5.20 Combining Options A and B can be seen as a comprehensive approach to drive change. On the other hand, one may see pursuing Option B alone as a healthy step forward in establishing a regulatory regime quickly to jumpstart the development of the profession and allowing strong players to emerge through market forces.

(D) Timing and Interim Arrangements

5.21 Considerable time is inevitably required to build up the local patent professionals for setting up a regulatory body to administer the accreditation scheme and to uphold professional discipline. It is not practicable to adopt Option A immediately.

5.22 Instead, the regulatory regime has to be established in stages upon the commencement of the OGP system, with interim or short-term measures in place to facilitate transition to the new full-fledged regulatory regime.

5.23 One factor to bear in mind is that the re-registration system will still be maintained in the foreseeable future, which requires attendance mainly to formalities. There is no immediate need for introducing drastic changes to the current re-registration practice.

5.24 Another important factor is the promotion of the transparency of the profession and qualifications of the practitioners prior to the introduction of regulation, as this may help educate the users to find the right service they need and encourage service providers to enhance professional practices meeting market demands. Interim measures in this direction may take, for example, the form of Option B with full statutory controls over titles, or the form of provision of essential information about the practitioners through a list centrally administered and made publicly available.

Recommendations

5.25 Having considered the factors as set out above, the Advisory Committee recommends that –

- (a) A full-fledged regulatory regime on patent agency services (i.e. by combining Options A and B altogether) should be set as the ultimate goal in the long run, which has to be achieved in stages, with possible interim measures.
- (b) Option A(ii) is preferred to Option A(i) in

introducing the regulatory regime in the first instance, given the retention of the re-registration system in parallel with the new OGP route. The need for Option A(i) may be reviewed in the longer term subject to the future development of the patent system in Hong Kong.

- (c) Interim measures to be developed should have regard to the existing patent agency services being provided on the one hand (e.g. through appropriate grandfathering provisions) and the early building and recognition of a regulated patent agency profession on the other (e.g. through Option B or a list or register of patent agents with their qualifications).

5.26 Subject to the Administration's decision on the way forward, the Advisory Committee will further explore the detailed implementation issues in the next phase of the review, including accreditation, professional discipline, transitional and interim arrangements, implementation timetable and consultation plans.

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Assistant Commissioner for Innovation and Technology
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Summary of Comments Received from Public Consultation

Chapter 1 : Standard Patent System (64 submissions received)	
1. What benefits will an OGP system bring to Hong Kong?	Will an OGP system promote local innovation and enhance patent quality?
Organisations / Individuals	Views / Concerns
<p>1.1 <u>Industrial / Trade Associations</u></p> <ul style="list-style-type: none"> ● The Chinese Manufacturers' Association of Hong Kong (香港中華廠商聯合會) ("CMA") ● Hong Kong Auto Parts Industry Association (香港汽車零部件工業協會) ("HKAPIA") ● The Toys Manufacturers' Association of Hong Kong (香港玩具廠商會) ("TMHK") ● The Hong Kong Electronic Industries Association (香港電子業商會) ("HKEIA") ● Hong Kong Metal Finishing Society (香港金屬表面處理學會) ("HKMFS") ● The Professional Validation Council of Hong Kong Industries (香港工業專業評審局) ("PVCHK") ● Hong Kong Federation of Innovative Technologies and Manufacturing Industries 	<ul style="list-style-type: none"> ● CMA is of the view that by the introduction of an OGP system, enterprises will be motivated to use Hong Kong as a base for their research and development ("R&D") businesses, which may in turn promote Hong Kong as a regional innovation and technology hub. At the same time, the growth of patent agency business in Hong Kong could be stimulated and the room for development of provision of professional services could be broadened. ● HKAPIA, TMHK, HKEIA, HKMFS and PVCHK opine that more flexible examination procedures with utilisation of local resources can be adopted under an OGP system. They further opine that the examination procedures could be expedited under a local OGP system so that a patent could be granted to an applicant sooner. Also, if an OGP system is introduced in Hong Kong, local enterprises could communicate directly with Hong Kong patent practitioners without language barrier. Concepts of inventions could be conveyed to the patent practitioners more clearly and accurately. The scope of the patents could therefore be more precise. Since patents could be granted to applicants in a shorter time if an OGP system is introduced in Hong Kong, local innovation could be promoted as inventors could generate revenue sooner from the patented inventions. ● HKAPIA, TMHK, HKEIA, HKMFS and PVCHK propose that mechanisms to revoke or invalidate patents other than court proceedings should be set up together with an OGP system. With revocation or invalidation procedures set up on the basis of an OGP system, public or related parties can have an efficient and economical way to object to the grant of a patent without the need to resort to court

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1. What benefits will an OGP system bring to Hong Kong? Will an OGP system promote local innovation and enhance patent quality?

<p>(香港創新科技及製造業聯合總會) (“FITMI”)</p> <ul style="list-style-type: none"> ● Federation of Hong Kong Industries (香港工業總會) (“FHKI”) ● Hong Kong Metal Merchants Association (香港五金商業總會) (“HKMMA”) ● Hong Kong General Chamber of Commerce (香港總商會) (“HKGCC”) ● The American Chamber of Commerce in Hong Kong (香港美國商會) (“AmCham”) ● The Hong Kong Association of the Pharmaceutical Industry (香港科研製藥聯合會) (“HKAPI”) ● The Licensing Executives Society China - Hong Kong Sub-Chapter (中國許可貿易工作者協會香港分會) (“LESC-HK”) 	<p>proceedings. This will deter abuse (especially in respect of short-term patents), protect third parties’ rights, enhance patent stability and reduce the costs of litigation.</p> <ul style="list-style-type: none"> ● FITMI opines that the establishment of an OGP system is an important factor in promoting Hong Kong as a regional innovation and technology hub in Asia. FITMI believes that an OGP system will bring innovative technology and funds to a country/city. An OGP system will also attract talents possessing financial or technical expertise. ● FHKI considers that all major economies focus on innovative technology as their main axes for economic development. Hong Kong should set up a patent system tailored for the current competitive environment. Given the good legal protection of intellectual property (“IP”) and a prosperous financial market, a patent system could help Hong Kong develop into an IP trading hub and create further employment opportunities for local talents. To raise the level of Hong Kong in the international area of technological innovation and IP, Hong Kong should have an OGP system with substantive examination. 	<ul style="list-style-type: none"> ● HKMMA considers that an OGP system will stimulate the development of patent agency business in Hong Kong, help build up local expertise and further create career opportunities for graduates with science and technical background. ● HKGCC is of the view that an OGP system should only be set up in Hong Kong if it (a) serves the critical mass better to justify a significant change in the system; (b) is at reasonable costs; and (c) enhances the growth of the patent system in Hong Kong. An OGP system does not necessarily bring these benefits to Hong Kong and such system should not be set up for the sake of having one or promoting the image of Hong Kong if it does not serve the interest of the users of the system. In its opinion, innovation and patent quality may not be bred or promoted <i>per se</i> by an OGP system as economic, sociological and other factors could be more prevalent,
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		<p>such as the respect and facility for protection of patents by enforcement.</p> <ul style="list-style-type: none">● AmCham does not believe that a strong enough case has been advanced for introducing an OGP system in Hong Kong, bearing in mind the cost involved in setting up and operating such a system.● HKAPI is concerned that an OGP system will unnecessarily raise patenting costs, especially considering that it is unlikely that there will be sufficient demand for OGP patenting and because the current re-registration system more than adequately meets the needs of the pharmaceutical industry and other sectors in Hong Kong.● LESC-HK is of the view that it is not necessary for Hong Kong to have an OGP system. It believes that the current standard patent system is already user-friendly, inexpensive and can ensure quality in patent protection in Hong Kong. An OGP system which requires investors to allocate more resources, in terms of time and money, in dealing with substantive examination of their Hong Kong patent applications will deter rather than promote local innovation. LESC-HK further expresses their concern that an OGP system may unnecessarily drain Hong Kong of precious resources from other more urgent needs. LESC-HK opines that a more direct way to promote innovation would be investment in education and research, rather than by an OGP system. LESC-HK further notes that several leading patent offices have entered into or are negotiating arrangements to enter into the “Patent Prosecution Highway” (“PPH”) to reduce duplicate patent examination work being carried out and to reduce costs and increase efficiency in patent grant. Introducing an OGP system will be moving away from this trend and complicates rather than streamlines patent grant in Hong Kong.
1.2	<p><u>Professional Bodies</u></p> <ul style="list-style-type: none">● Hong Kong Institute of Patent Attorneys	<ul style="list-style-type: none">● HKIPA suggests that an OGP system should be introduced to Hong Kong as soon as possible. HKIPA opines that more flexible examination procedures with utilisation of local resources can be adopted under an OGP system. It further opines that the

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<ul style="list-style-type: none">● (香港專利師協會) (“HKIPA”)● The Hong Kong Institute of Patent Practitioners (香港專利代理人公會) (“HIPP”)● The Hong Kong Institute of Trade Mark Practitioners (香港商標師公會) (“HKITMP”)● Asian Patent Attorneys Association Hong Kong Group (亞洲專利代理人協會香港分會) (“APAA”)● The Law Society of Hong Kong (香港律師會) (“The Law Society”)	<p>examination procedures could be expedited under a local OGP system so that a patent could be granted to an applicant sooner. Also, if an OGP system is introduced in Hong Kong, local enterprises could communicate directly with Hong Kong patent practitioners without language barrier. Concepts of inventions could be conveyed to patent practitioners more clearly and accurately. The scope of the patents could therefore be more precise. Since patents could be granted to applicants in a shorter time if an OGP system is introduced in Hong Kong, local innovation could be promoted as inventors could generate revenue sooner from their patented inventions.</p> <ul style="list-style-type: none">● HKIPA proposes that mechanisms to revoke or invalidate patents other than court proceedings should be set up together with an OGP system. With the revocation or invalidation procedures set up on the basis of an OGP system, public or related parties can have an efficient and economical way to object to the grant of a patent without the need to resort to court proceedings. This will deter abuse (especially in respect of short-term patents), protect third parties’ rights, enhance patent stability and reduce the costs of litigation.● HIPP opines that a “full OGP system” (in which patents are examined by a full team of examiners in Hong Kong) will help Hong Kong prepare itself to be a regional hub and develop its own patent professionals for IP trading. Also, the training brought to Hong Kong to build up its patent profession can be utilised by inventors and researchers to increase their knowledge and awareness of patent law and then to provide a stimulating effect on R&D. HIPP does not support an OGP system with examination outsourced. According to their proposal, a full OGP system should be introduced in five years’ time.● HKITMP points out that there is no credible empirical evidence supporting the notion that the presence of an OGP system (with additional costs associated with pursuing grant) will have any effect on stimulating local innovation. HKITMP also
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thinks there will be a decrease in patent quality unless there is a substantial investment of time and resources in pursuing an OGP system, which would be better spent for other purposes.

- Both HKITMP and APAA highlight that due to costs associated with patent examination process and increasing backlogs at most of the major patent examination offices, there is an international trend to move away from local original examination. Examples of this trend as mentioned by HKITMP and APAA include:
 - (a) allowing grant of a patent in one recognised substantive examining jurisdiction to be recognised in another (often smaller) jurisdiction (“modified examination”);
 - (b) requiring local patent practitioners to submit search results and examination results of related applications in other countries to the local patent office (with serious penalties for failure to do so) so that the local examiners can review the assessment results regarding the substantive validity of the related patent applications in other jurisdictions;
 - (c) examining patent applications based on search results and/or examination results of corresponding applications in other jurisdictions, e.g. PPH arrangements between different jurisdictions;
 - (d) an increasing reliance on “International Search Reports” and “International Preliminary Opinion on Patentability” issued during the international phase in a patent application under the Patent Cooperation Treaty (“PCT”) system by patent examination authorities in other jurisdictions;
 - (e) reliance on search results and background information from prosecution in foreign jurisdictions; and

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- (f) a patent is only granted if an applicant furnishes evidence of grant of a corresponding patent in a jurisdiction having a credible substantive examination patent office and the claims are amended in the local application to correspond with those granted in the foreign jurisdiction.

Accordingly, introduction of an OGP system in Hong Kong is not in line with the international trend.
- APAA considers that introduction of an OGP system in Hong Kong would not increase the quality of Hong Kong patents as the quality of Hong Kong patents is already very high.
- APAA opines that an OGP system will not itself promote local innovation. Any increased public awareness of patents by the introduction of such a system and any consequent increased interest in pursuit of patent rights and stimulation of innovation will be minimal.
- APAA is wary that any change to the Hong Kong patent system which results in a decrease in the presumption of validity would lose the well-established international respect of the Hong Kong patent system, and is likely to stifle local innovation as well as deter foreign investment in Hong Kong.
- The Law Society has serious reservations of the extent that the theoretical benefits of an OGP system in helping to develop and train local patent professionals could be realised if Hong Kong is to adopt an OGP system with substantive examination being outsourced to other patent offices. In particular, the Law Society is concerned that if substantive examination is outsourced to the State Intellectual Property Office of the People’s Republic of China (“SIPO”), it will give practitioners of the People’s Republic of China (“PRC”) an enhanced competitive advantage over patent practitioners not qualified under the PRC system. It points out that the PRC government only allows PRC qualified patent agents to handle

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patent work and the qualifying examination is only open to PRC Chinese nationals (and in recent years to Hong Kong and Macanese citizens of Chinese ethnical origin). The Law Society is of the view that if the goal is to develop local Hong Kong expertise, it is important to introduce a system to ensure that the local profession may indeed be encouraged to learn, strive and grow.

- The Law Society is doubtful how an OGP system may promote local innovation. It notes that the current short-term patent system is akin to an OGP system with patent search being “outsourced”. Yet, although Hong Kong remains the top users of the short-term patent system in the past five years (from 2006 to 2010), the number of Hong Kong filings remains low.
- The Law Society believes that the quality of the current Hong Kong standard patents is high as the patents have been substantively examined by the patent offices of the United Kingdom (“the UK”), European Patent Office (“EPO”) or SIPO, and cannot see how an OGP system in Hong Kong may enhance patent quality. On the other hand, depending on how the OGP system operates, the Law Society is concerned that the patent quality may deteriorate. It notes that Singapore does not impose an obligation on applicants to amend their applications in response to examination results, and in practice, Singaporean patents are published and granted whatever the results of examination are. In that sense, the Law Society comments that the Singaporean system is inferior to the current system of Hong Kong which guarantees properly examined, amended (if required) and granted patent applications.
- The Law Society doubts if an OGP system can be more user-friendly and cost-effective than the current system.
- The Law Society queries whether the number of jobs created for polytechnic graduates would justify the substantial resources and investments in implementing

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	<p><u>Political Parties / Groups</u></p> <ul style="list-style-type: none"> ● Democratic Alliance for the Betterment and Progress of Hong Kong (民建聯) (“DAB”) ● Economic Synergy (經濟動力) ● New People’s Party (新民黨) 	<p>an OGP system.</p> <ul style="list-style-type: none"> ● DAB supports the introduction of an OGP system in Hong Kong for various reasons: <ul style="list-style-type: none"> (a) having the ability to conduct patent examination on its own means having the greatest control on the standards of patents granted so that they can align with the local actual needs on innovation and technology development; (b) the scale of the patent-related industry in Hong Kong could be developed by the gradual establishment of a patent system with “self-examination” capacity; (c) the development of a patent system in which local examination of patents is carried out can stimulate the growth of patent-related industry, and in turn will offer alternative career routes for graduates with science and technical background and provide them with greater room for development locally in their specialised areas; and (d) if Hong Kong is to implement a patent system in which examination is carried out locally and there is local expertise for patent industry, applicants will be benefited and will then be encouraged to apply for patents for their inventions. ● Economic Synergy believes that an OGP system can attract enterprises to set up their facilities for R&D in Hong Kong. The system can also benefit small-and-medium enterprises (“SMEs”) which only wish to enforce patent rights within Hong Kong with simplified patent application procedures, and in turn result in a reduction of costs and time required to obtain patent protection in Hong Kong. ● Economic Synergy advises that setting up an OGP system in Hong Kong can let Hong Kong become the place of “first filing” for patents. First filing can afford applicants with early publication, speedy examination and shorter time in obtaining
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		<p>protection.</p> <ul style="list-style-type: none"> ● New People’s Party supports the establishment of an OGP system to facilitate those parties who only want to seek patent protection in Hong Kong and will thus promote local innovation. In addition, they consider an OGP system to be instrumental to the training of local expertise to assess patentability.
<p>1.4 <u>Academic Sector</u></p> <ul style="list-style-type: none"> ● Raymond Yiu (Division of Social Science, Hong Kong University of Science and Technology) ● Dr C W Tso (Adjunct Professor, School of Energy and Environment, City University of Hong Kong) ● Biochemistry Alumni Association, HKUST 		<ul style="list-style-type: none"> ● Raymond Yiu supports the introduction of an OGP system in Hong Kong so that indigenous innovation would be encouraged and that an innovation ecosystem would be fostered in Hong Kong. In his view, an OGP system could also enable Hong Kong’s transformation into a regional innovation hub. Given Hong Kong’s reputation and long-standing practice of the rule of law, the establishment of an OGP system could exert a positive and significant impact on the development of the IP-related profession in Hong Kong. ● Dr C W Tso is of the view that an OGP system can offer the following benefits: <ul style="list-style-type: none"> (a) allow inventors who do not need patent protection elsewhere to apply directly in Hong Kong; (b) save costs for inventors; (c) complement the efforts being made to encourage more entrepreneurs to use Hong Kong as a launching pad for their R&D businesses; (d) stimulate the growth of patent agency business in Hong Kong, and so help build up local expertise in drafting and prosecuting applications for patents; (e) create career opportunities for graduates with science and engineering background; and (f) help fortify the further development of Hong Kong as a regional innovation

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		<p>and technology hub.</p> <ul style="list-style-type: none"> Biochemistry Alumni Association, HKUST is of the view that the proposed OGP system will not only bring abstract IP into more solid, tangible assets in Hong Kong industries, but also provide the niche for multinational corporations and research experts to create their business opportunities with Hong Kong serving as a platform; transforming Hong Kong into an international IP exchange hub. With such function, Hong Kong would definitely attract entrepreneurs, research experts and IP specialists to station and expand their projects; resulting in the creation of more career opportunities for experts of both legal and technical background as well as an atmosphere for the cooperation and collaboration between the industries and the academia to work out the best solutions to fulfil the technological development with marketable commercial values. Patent quality will surely be enhanced and the support of open innovation in universities and research institutes will be promoted.
<p>1.5</p>	<p><u>Legal Practitioners / Patent Practitioners</u></p> <ul style="list-style-type: none"> Richard R. Halstead (UK Chartered Patent Attorney, ex-president of the HKITMP) Chris Murray (Patent Attorney) A group of professionally qualified patent attorneys currently practising in Hong Kong (“QPA Group”): <ul style="list-style-type: none"> (a) Timothy J. Letters (Registered Australian Patent Attorney, Registered New Zealand Patent Attorney) (b) Laurence Thoo (Registered Australian 	<ul style="list-style-type: none"> Richard R. Halstead considers that the present re-registration system has nothing wrong and if some changes have to be made, no structural changes should be introduced: <ul style="list-style-type: none"> (a) he considers credibility of patents issued to be very important to the system users and the public and that, even by setting up an OGP system, Hong Kong could hardly match up with the efficiency and level of expertise of well-established patent offices such as the United Kingdom Intellectual Property Office (“UKIPO”) and SIPO; (b) he believes, by pointing out that most consumers prefer to use the unified examination system under EPO rather than filing in individual countries, a lack of original patent grant system does not correlate with the ability to innovate; (c) he considers abuse of the patent system by seeking to enforce invalid patents

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<p>Patent Attorney)</p> <p>(c) Jeffrey McLean (Registered Australian Patent Attorney)</p> <p>(d) James Wan (Registered Australian Patent Attorney, Registered New Zealand Patent Attorney, Registered Singapore Patent Attorney)</p> <p>(e) Michael Flint (Registered Australian Patent Attorney, Registered New Zealand Patent Attorney)</p> <p>(f) Owen Gee (Registered Australian Patent Attorney, Registered New Zealand Patent Attorney)</p> <p>(g) Michael Lin (Registered US Patent Attorney)</p> <p>(h) Chin-Wah Tsang (UK Chartered Patent Attorney)</p> <p>(i) Eric C F Lam (UK Chartered Patent Attorney)</p> <ul style="list-style-type: none"> ● King & Wood (金杜律師事務所) (law firm) ● 宋平 & 陳永暉 (“Song & Chan”): 	<p>to be a big problem. The rampant abuse of the patent system discourages innovation if the accused could only show the patents to be invalid via expensive court proceedings. He considers there is more likely to be abuse when patent offices with poor novelty search usually grant a much broader patent than the ones with good prior art search facilities and argues that it would be unfair to the general public in this regard; and</p> <p>(d) in order to prevent abuse of the system, he suggests requiring applicants for Hong Kong patents to declare that (i) the patent is believed to be valid; and (ii) all prior art known to him but not cited during substantive examination of the corresponding designated application shall be disclosed to the defendant prior to legal proceedings, with costs penalties for failing to do so.</p> <ul style="list-style-type: none"> ● Chris Murray is against the setting up of an OGP system because little manufacturing is done in Hong Kong and no high volume products are manufactured for the Hong Kong market only. The value of a standalone Hong Kong patent is minimal and, hence, the costs involved are unjustifiable. ● QPA Group emphasises that although the potential benefits of an OGP system include enhanced public awareness of patents and intellectual property rights, which may remind the public of “innovation”, an OGP system alone will not promote local innovation. ● QPA Group believes that the introduction of an OGP system in Hong Kong will not enhance the quality of Hong Kong patents as the three existing designated patent offices are already providing high quality examinations. ● From the experience of members of QPA Group: <ul style="list-style-type: none"> (a) they are yet to have any Hong Kong local clients who pursue patent rights suggest that an OGP system in Hong Kong would be of any benefit to them;
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<p>(a) 宋平 (PRC Patent Attorney); and</p> <p>(b) 陳永曄 (PRC Patent Attorney)</p> <ul style="list-style-type: none"> ● Danny Chan (Authorized IP Attorney of the national IP Office of Malta of European Union, Listed IP Attorney in the record of the Danish Patent & Trademark Office) ● Nigel Lee (UK Chartered Patent Attorney, PRC Patent Attorney) ● Kam Wah Law (US Patent Attorney) ● Kenneth Yip (solicitor) ● Sam Yip (US Patent Attorney) ● China Intellectual Property (H.K.) Limited ● Benny Kong (solicitor) ● Anonymous respondents 	<p>(b) they are yet to hear any foreign clients suggesting an OGP system in Hong Kong would be of benefit to foreign applicants for Hong Kong patents; and</p> <p>(c) they are yet to hear any professionally qualified patent attorneys provide any coherent argument as to how an OGP system could help Hong Kong applicants from a commercial or financial standpoint.</p> <ul style="list-style-type: none"> ● King & Wood supports establishment of an OGP system in Hong Kong while maintaining the current re-registration system because under the current system, their clients who have businesses only in Hong Kong and desire patent protection only in Hong Kong are required to spend substantial expenses to obtain patent registration in one of the designated patent offices before obtaining patent protection in Hong Kong. If they do not wish to incur the extra expenses, they can only apply for short-term patents which do not offer a full 20-year term of protection. Further, proving the validity of short-term patents is harsher than proving registrability and patentability. In practice, their clients do not use the short-term patent route for any “serious” inventions. An OGP system will facilitate the obtaining of full-term patent protection in Hong Kong for “serious” inventions created locally, particularly those of high commercial value, and Hong Kong will be considered as a technologically innovative city. ● Song & Chan opine that it is not realistic to say that an OGP system in Hong Kong will bring great economic advantages and create career opportunities. They are of the view that Hong Kong does not have the strength to adopt an OGP system. They note that an OGP system must be backed by strong R&D capacity in high technology industries, which is currently lacking in Hong Kong. ● Danny Chan opines that it is not necessary to introduce an OGP system in Hong Kong as the market size and population is not large enough. ● Nigel Lee considers that having an OGP system in Hong Kong would have benefits
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including:

- (a) higher legal certainty about the validity of a Hong Kong patent when compared to a short-term patent;
- (b) a less expensive and more convenient way for a patent applicant to obtain a 20-year full term Hong Kong patent, particularly when the applicant does not want to apply for a patent in China, Europe or the UK;
- (c) establishment of a local examination team in Intellectual Property Department (“IPD”) for OGP would allow IPD to provide opinions on patent infringement and patent validity issues which means a cost-effective route for the public to seek reliable opinions when compared with taking out expensive legal actions before the court; and
- (d) encouragement of development of the patent attorney profession, thereby improving the quality of local patent services.

He also thinks that an OGP system can promote local innovation and enhance patent quality because it encourages development of the patent attorney profession which can then provide strong support and consultation to local innovation industry and it also encourages the deployment of in-house patent specialists in R&D companies, research institutes and universities in Hong Kong.

- Kam Wah Law considers an OGP system to have the additional benefits of supporting a large number of highly paid patent examiners and patent agents and patent attorneys in Hong Kong and this will be good for the economy of Hong Kong as well as local science and engineering graduates.
- Kenneth Yip supports having an OGP system in Hong Kong. He thinks that the current re-registration system works fine only if the Government is willing to give up its judicial power to treat itself as a colonial state of a foreign country, just

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another city of China or on par with other developing countries.

- Sam Yip is of the view that fostering economic and social conditions, availability of highly educated workforce, human entrepreneurial spirits, progressive government policies, respect for IP and effective enforcement on the protection of IP, but not merely having an OGP system, are the primary motivators for local innovation or investment in R&D. As for patent quality, he thinks that it depends on the procurement, examination and enforcement of patents, but there is no substantial deficiency in any of these areas.
- China Intellectual Property (H.K.) Limited does not support the introduction of an OGP system in Hong Kong.
- Benny Kong is of the view that an OGP system has a better ability to keep inventors and investors in Hong Kong.
- A respondent notes that in addition to the benefits already mentioned in the Consultation Paper, it is a fundamental right for an applicant to have the option and freedom to pursue a patent with any particular content and claim wording that he sees fit. Without an OGP system in Hong Kong, the content and claim wording of a Hong Kong standard patent would always be dependent on a designated patent and therefore the patent applicant will be deprived of such right. Further, some legal patent tests or standards which are applicable or suitable in the context of the UK or Europe might not always be suitable in Hong Kong. Unless Hong Kong has its own OGP system, the development of the legal patent system and the precedents in Hong Kong would be hindered by the reliance of patents issued in the said jurisdictions. He also notes that an OGP system would create a more encouraging environment for first full-term patent filings in Hong Kong and more job opportunities and would promote trading of IP/patent rights in Hong Kong.
- A respondent sets out the need for Hong Kong to establish a home patent office

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		<p>which would provide an image of innovation as well as play a practical role for driving and supporting other technology/innovation-related initiatives in Hong Kong, such as development of a patent equity index.</p>
<p>1.6</p>	<p><u>Others</u></p> <ul style="list-style-type: none"> ● Hong Kong Productivity Council (香港生產力促進局) (“HKPC”) ● Asia Pacific Intellectual Capital Centre (“APICC”) ● Universal Display Corporation Hong Kong, Ltd. ● Scholar Corporation ● Blessed Inc ● Bach Limited ● Blue Ocean Strategy Consulting/Art Group Limited 	<ul style="list-style-type: none"> ● HKPC considers that an OGP system would have benefits including: <ol style="list-style-type: none"> (a) allow direct applications in Hong Kong, and it is anticipated that the application process would take a shorter time; (b) the public will have better access to and a better understanding of the application procedures and requirements; the procedures can be better controlled in time and quality; (c) increase the local demand for and promote the growth of patent agency services in Hong Kong and facilitate patent professionals to enhance their technical skills; (d) create employment opportunities and inspire training institutions to design new courses to train patent professionals; (e) promote innovation and IP protection when the registration agency provides direct advisory services on patent applications, assessment criteria, etc.; and (f) provide an improved legal framework that supports local industry in transforming to innovation and IP trading. ● APICC is of the view that a robust OGP system is one of the key business conditions which are needed if Hong Kong is to become a world class knowledge economy. Such a system is also a foundation business condition to the “IP and Technology Transfer”, “Open Innovation” and “Commercialisation” capacities which Hong Kong needs to develop in the next five to 10 years. APICC also supports having an

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OGP system but only if a Hong Kong patent will also be recognised in Mainland China.

- Universal Display Corporation Hong Kong, Ltd. is of the view that it is not necessary to introduce an OGP system in Hong Kong.
- Scholar Corporation, Blessed Inc and Bach Limited point out that there is no cogent evidence to support a claim that there will be more patent applications for inventions in Hong Kong if an OGP system is introduced in Hong Kong. They comment that:
 - (a) there is no proof that academics will discontinue applied research if there is no OGP system in Hong Kong as academics are by nature predisposed to continuing research. It is doubtful that their curiosity and fervour for exploring the boundaries of existing knowledge will be diminished if there is no OGP system. Their passion to explore possible developments and new knowledge is also fuelled by pressure from their employing institutions;
 - (b) there is no compelling reason why individual researchers in the commercial environment will suddenly have more insight or inspiration simply because of a possible opportunity to apply for an original grant patent in Hong Kong; and
 - (c) imagination and creativity are not fettered under the current re-registration system.
- Bach Limited adds that individuals and inventors are most likely to be inspired by profit motive, necessity, academic interest and/or competition to invent and invest.
- Scholar Corporation, Blessed Inc and Bach Limited emphasise that whilst there are loud calls for an OGP system to be set up in Hong Kong from a vocal/connected minority, the Government must scrutinise whether there is any compelling proof or reasoning behind the call for support.

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		<ul style="list-style-type: none"> Blue Ocean Strategy Consulting/Art Group Limited supports the parallel development of an OGP system while keeping status quo of the current re-registration standard patent system and the short-term patent system because, like the need for a third runway in the Hong Kong airport, the OGP will be able to handle more traffic in the licensing and trading of IP for products and inventions that are very often sourced in Hong Kong and the Pearl Delta Region when the two current systems are experiencing difficulty to keep up.
<p>1.7</p> <p><u>Individuals</u></p> <ul style="list-style-type: none"> Stanley Tom Lam Ms. Lee Eric Yung (容志偉) 黎錦新 Ng Chan Wai (inventor, holder of patents in the United States, China and Hong Kong) Hui Wing Kin (inventor, holder of more than 20 published patents in the United States, China and Europe) 龔春暉 周耀榮 		<p>Some individual respondents support the establishment of an OGP system in Hong Kong. Reasons cited include:</p> <ol style="list-style-type: none"> an OGP system can save the time and costs for obtaining patent protection in Hong Kong as it allows an applicant to apply for patent protection directly in Hong Kong without the need to first file an application with one of the designated patent offices; an OGP system can raise the society’s awareness regarding research and patents and let Hong Kong entities learn more about the commercial value of patents; an OGP system can change society’s view towards research and patent applications as it allows young inventors to obtain patent protection in Hong Kong at a very low cost thereby letting them earn substantial profits if large corporations decide to acquire the inventions; an OGP system can provide additional career opportunities for graduates with science and technical background; there will be more employment opportunities for local people, especially the elderly and handicapped;

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- Pindar Wong
- Guy Chan
- 王仁平
- 林斌典
- Anonymous respondents

(f) an OGP system can encourage local innovation;

(g) an OGP system can attract users to apply for patents in Hong Kong and thus can increase sources of income for the Government if fees for patent search and substantive examination to be conducted are low and conducive to the development of innovation in Hong Kong; and

(h) an OGP system can enable applicants to avoid the issue of inadequate patent protection in China or the need to pay for the services of an agent to get a patent from SIPO.

Some individual respondents do not see the need of an OGP system and think that the costs for getting an OGP may deter applications.

Specific views

- Stanley is of the view that owners of important inventions will not choose Hong Kong to apply for patent protection because the market in Hong Kong is too small.
- Tom Lam does not support establishing an OGP system in Hong Kong.
- A respondent opines that an OGP system will promote local inventions and improve the quality of patents. The Government should be responsible for the implementation of an OGP system.
- Ms. Lee thinks that if an OGP system is carried out effectively in Hong Kong, applications from other regions will also be made in Hong Kong because it is less expensive and quicker if applications are directly made in Hong Kong. Also, an applicant can test the market response of the invention in Hong Kong before he decides whether to apply for a patent in other regions of the world or to sell the patent.

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- Eric Yung is of the view that an OGP system can save the time and costs for obtaining patent protection in Hong Kong as it allows an applicant to apply for patent protection directly in Hong Kong without the need to first file an application with one of the designated patent offices. He opines that an OGP system can raise the society's awareness regarding research and patents and let Hong Kong entities learn more about the commercial value of patents. He further believes that an OGP system can change enterprises' view towards research and patent applications as it allows young inventors to obtain patent protection in Hong Kong at a very low cost thereby letting them earn substantial profits if large corporations decide to acquire the inventions. He also thinks that an OGP system can provide additional career opportunities for graduates with science and technical background.
- 黎錦新 thinks that introducing an OGP system in Hong Kong while maintaining a re-registration system will encourage local innovation. He believes that an OGP system will create more employment opportunities for local people, especially the elderly and handicapped. He is of the view that an OGP system can attract users to apply for patents in Hong Kong and thus can increase sources of income for the Government if fees for patent search and substantive examination to be conducted are very low and conducive to the development of innovation in Hong Kong. He further comments that an OGP system can enable applicants to avoid the issue of inadequate patent protection in China or the need to pay for an agent to get a patent from SIPO.
- Ng Chan Wai also supports the establishment of an OGP system while maintaining a re-registration system in Hong Kong.
- Hui Wing Kin does not consider it necessary to introduce an OGP system in Hong Kong and comments that an OGP system will create an extra step in a patent application in Hong Kong.

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- 龔春暉 is of the view that since setting up an OGP system in Hong Kong will not be cost-effective, such a move will not be conducive to attracting foreign companies to set up R&D centres in Hong Kong.
- 周耀榮 does not think that Hong Kong needs an extra OGP system since, not being cost-effective, it is unlikely that inventions of local enterprises will just be aimed at the small market of Hong Kong. He would rather prefer the Government to employ the resources for training patent agents, patent administrative managers and patent agent brokers, promoting the value of protection of IP and positioning Hong Kong as an IP trading platform.
- Pindar Wong is of the view that the active encouragement of patent re-registration from common law-based economies for the purpose of establishing patent pools should take policy priority. Hong Kong should position itself as the world's premier "Patent Safe Harbour", that is, an entrepreneurial environment where legal risks associated with experimentation and innovation are minimised, and the market and financial opportunities are maximised by actively encouraging legal licensing from patents that are pooled together to avoid litigation.
- Guy Chan believes that an OGP system will only be effective if the costs can be kept low.
- 王仁平 is of the opinion that an OGP system can benefit a patent applicant as he can apply for patent protection directly in Hong Kong without the hassle of going through a designated patent office.
- 林斌典 is of the view that Hong Kong should establish an OGP system.
- Two respondents do not see the need to have an OGP system in Hong Kong, one pointing to the purposes of protecting new inventions being served by the existing

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patent system and the other to the low volume of applications in the past five years.

- A respondent thinks that an OGP system is beneficial because it will be cheaper to apply for a patent locally, the application can be filed in Chinese and the processing time will be shorter.
- A respondent thinks that an OGP system in Hong Kong is very unlikely to enhance patent quality. With the standard patents now granted being based on patents granted by SIPO, the United Kingdom Patent Office (“UKPO”) or EPO, all of which have high standards and good reputation, at best an OGP system in Hong Kong could hope for is to equal the quality of the current standard patents (an OGP system which has its examination outsourced to SIPO is expected to have the same quality as a standard patent based on a designated Chinese patent), but at a greater cost. In his view, factors affecting multinational companies in deciding whether to set up regional headquarters or R&D centres are availability of a qualified technically trained workforce, cost of operations and proximity to large markets. As regards local companies, he believes that they are more concerned with protection in the United States (“the US”) and China. He considers that an OGP system may have the advantage of building up the patent profession in Hong Kong, especially if coupled with a regulatory regime and it may also be advantageous to the legal profession and patent agencies if professional fees are increased without a reduction in the level of filing from overseas entities.

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2. Will there be sufficient demand to support an OGP system in Hong Kong? Will it be a cost-effective system?

	Organisations / Individuals	Views / Concerns
2.1	<p><u>Industrial / Trade Associations</u></p> <ul style="list-style-type: none"> ● HKAPIA ● HKEIA ● HKMFS ● PVCHK ● AmCham ● HKGCC ● HKAPI ● LESC-HK 	<ul style="list-style-type: none"> ● HKAPIA, HKEIA, HKMFS and PVCHK refer to the results of a survey conducted by HKIPA which was responded to by 13 trade organisations (“HKIPA Survey”)⁴⁶ indicating that an OGP system will attract more SMEs to apply for patents, which can then support a cost-effective OGP system in Hong Kong. ● AmCham doubts whether there is likely to be adequate demand for using an OGP system in Hong Kong, especially considering the cost of establishing and operating such a system. ● AmCham comments that even if an OGP system is introduced, it should only be operated in parallel with the current re-registration system because the current scheme already provides an inexpensive and effective method for patentees to obtain patent protection. It opines that an OGP system, if introduced, should not be at the short or long-term expense of re-registration system users; nor should the cost of an OGP system be subsidised by the users of the re-registration system. ● HKGCC is of the view that since it is unlikely that inventors would deploy costs and resources on a substantive examination that leads to a grant of patent in a small

⁴⁶ The Law Society comments that the core questions in the questionnaire for the HKIPA Survey which are said to support an OGP system were “Q5. Do you consider a complete patent registration system (including short term patents and standard patents) would be beneficial to the Hong Kong economy? Q6. If Hong Kong had a complete patent registration system, will this encourage you to apply for patents?”. The Law Society comments that a “complete patent registration system” is neither explained nor defined in the questionnaire, and queries whether the respondents understand what a complete patent registration system means when according to the HKIPA Survey, 74.6% of the respondents did not know the difference between a short-term and a standard patent.

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		<p>market like Hong Kong, they may forsake the Hong Kong market.</p> <ul style="list-style-type: none"> ● HKAPI opines that the current re-registration system more than adequately meets the needs of the pharmaceutical industry and other sectors in Hong Kong. It is concerned that an OGP system will unnecessarily raise the costs of obtaining patent protection in Hong Kong, especially considering that it is unlikely that there will be significant demand for original grant patents. It further notes that in light of the size of the local market, it is doubtful whether an OGP system will ever attract a sufficient critical mass of users who apply only for a domestic Hong Kong original grant, so as to adequately cover the operational costs of an OGP system without having to raise fees or requiring subsidies from users of the re-registration system. ● LESC-HK highlights the fact that Hong Kong’s market is small and it is very rare for an investor to seek patent protection of his technology in Hong Kong alone. Looking at past statistics, it is noticed that there is a declining trend of standard patent filings in Hong Kong and therefore there will not be sufficient demand to support an OGP system in Hong Kong. It follows that an OGP system in Hong Kong will not be a cost-effective system.
2.2	<p><u>Professional Bodies</u></p> <ul style="list-style-type: none"> ● HKIPA ● HIPP ● HKITMP ● APAA ● The Law Society 	<ul style="list-style-type: none"> ● Based on the HKIPA Survey, HKIPA considers that an OGP system will attract more SMEs to apply for patents, which can in turn support a cost-effective OGP system in Hong Kong. ● HIPP proposes that a patent search and examination division as a World Intellectual Property Organization (“WIPO”) accredited International Searching Authority (“ISA”) and International Preliminary Examining Authority (“IPEA”) should be set up in Hong Kong with the assistance of SIPO and WIPO. In addition to local applications, the said patent search and examination division in Hong Kong can receive inbound work from other patent offices worldwide and can act as a satellite office of SIPO in the same way as the Austrian Patent Office assists EPO in

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	<p>conducting search and examination. The said division may also participate in the PPH agreement between the United States Patent and Trademark Office (“USPTO”) and SIPO so that it can assist both patent offices in examining patent applications filed in the US and China. By being an ISA and IPEA, acting as a satellite office of SIPO and participating in the PPH agreement between USPTO and SIPO, the patent search and examination division could generate income and become financially self-sustainable.</p> <ul style="list-style-type: none">● HKITMP strongly believes that there will not be a sufficient demand to support an OGP system, and accordingly, it is unlikely to be a cost-effective system. They further opine that even if substantive examination is outsourced to another examining authority, the OGP system would add unnecessary complexity, costs and administrative burdens to local applicants. HKITMP emphasises the need to scrutinise whether there is any sound reasoning behind the call for an OGP and whether there is proof of such need.● HKITMP identifies a number of factors that affect an invention owner in deciding where to file a patent application:<ul style="list-style-type: none">(a) specific requirements of some jurisdictions (for example, some countries have national “first filing” requirements under national security laws which compel the filing of patent applications for inventions developed/completed within that jurisdiction to be first filed in that jurisdiction);(b) where the product is being developed;(c) where infringement is occurring;(d) where the market exists for the protected product;(e) where a competitor is filing/commercially active;
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<p>(f) where IP hijacking may be occurring;</p> <p>(g) the time required to obtain grant of a patent in different jurisdictions; and</p> <p>(h) the costs of applying for patent protection in different jurisdictions.</p> <p>HKITMP is of the view that the absence or presence of an OGP system is unlikely in itself to affect the motivation to file patent applications.</p> <ul style="list-style-type: none">● HKITMP points out that there is no proof of inventors and/or companies being fettered in their businesses by the financial cost of having to apply for grant of a patent in one of the designated patent offices before they can apply in Hong Kong. If an OGP system is introduced in Hong Kong and it follows the “user pays” policy, the cost for an original grant may be as much, if not more, than obtaining a patent grant under the current re-registration system.● APAA considers that an OGP system in Hong Kong is likely to be only utilised by local Hong Kong entities that:<ul style="list-style-type: none">(a) have commercial reasons for requiring a Hong Kong-based patent;(b) do not have a business interest in any foreign major jurisdictions, including China, and therefore do not have an opportunity for re-registration in Hong Kong; and(c) do not have legal restrictions dictating that the “first filing” must be in China. <p>The number of applicants who fulfil these criteria is minimal and the level of demand is insufficient to justify the introduction of an OGP system in Hong Kong.</p> <ul style="list-style-type: none">● APAA is of the view that if an OGP system with substantive examination outsourced is introduced whilst the current re-registration system is maintained, the majority of	
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<p>international patentees will choose to proceed under the re-registration system.</p> <ul style="list-style-type: none">● APAA is concerned that if an OGP system is introduced to replace the existing re-registration system, both local and foreign applicants for Hong Kong patents will be exposed to paying very significant cost for substantive examination. This will be very cost-ineffective and will dissuade Hong Kong applicants from obtaining Hong Kong patents and dissuade foreign applicants from pursuing Hong Kong patent rights.● The Law Society points out that since Hong Kong is a small market and is not a manufacturing or R&D base, it is unlikely that the major users of the Hong Kong patent system (overseas businessmen) would wish to apply for an original Hong Kong patent alone.● The Law Society is of the view that the cost of an OGP system will be much higher than under the current re-registration system.● The Law Society fears that if an OGP system is introduced in lieu of the current re-registration system, with the inevitable massively increased costs, the number of patent filings in Hong Kong will be substantially reduced. It comments that at present, Hong Kong is a cost-effective addition to a regional/global patent portfolio, but an OGP system will render it an expensive and unnecessary luxury.● The Law Society calls for caution in reviewing the reliability of the premises upon which those advocating the introduction of an OGP system base their case.● The Law Society points out that strategically, Hong Kong does not rank very high amongst countries where patent registration is important. Countries of most importance are arguably the place(s) of manufacture and ultimate place(s) of sale, e.g. China, the US, Japan, Germany, the UK and Europe. Hong Kong companies engaged in R&D are highly likely engaged in manufacture in China, and their	
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		<p>ultimate customers are in one or more of the developed countries mentioned. Further, the Law Society notes that the PRC patent law requires that inventions from R&D conducted in China must first be filed within China before filing overseas. It therefore follows that Hong Kong companies whose R&D operations are in China will have to file in China first and an OGP system in Hong Kong for them is an unnecessary repetition of time and costs.</p>
2.3	<p><u>Academic Sector</u></p> <ul style="list-style-type: none"> ● Biochemistry Alumni Association, HKUST 	<ul style="list-style-type: none"> ● Biochemistry Alumni Association, HKUST considers that the impressive growth rate in licensed products implies a promising foundation for the setting up of an OGP system and the efforts spent in building the system would bring in tremendous economic benefits, thereby ensuring that the system is cost-effective.
2.4	<p><u>Legal Practitioners / Patent Practitioners</u></p> <ul style="list-style-type: none"> ● QPA Group ● Song & Chan ● Danny Chan ● Nigel Lee ● Kam Wah Law ● Sam Yip ● Benny Kong ● Anonymous respondents 	<ul style="list-style-type: none"> ● QPA Group believes it is very unlikely that an OGP system in Hong Kong will be extensively utilised because: <ul style="list-style-type: none"> (a) an OGP system in Hong Kong is likely to be used by local entities only (provided the current re-registration system is maintained in some form); (b) there are restrictions on filing; (c) Hong Kong has a small population; and (d) many Hong Kong entities do not have commercial interest in Hong Kong. In their view, it is doubtful that there will be sufficient demand to support an OGP system in Hong Kong. ● QPA Group is of the view that if an OGP system is introduced to replace the existing re-registration system, the costs will increase significantly and the number of filings will decrease.

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- QPA Group doubts the extent of use of a Hong Kong “first filing” system as first filing is unlikely to be made in Hong Kong for various reasons, including compliance of national security legislation in China. QPA Group points out that under the amended Chinese law, “an invention completed in China” (i.e. an invention for which a substantial or reasonable portion of research or development was conducted in China) must effectively be first filed in China in order to satisfy the national security technology clearance requirements, failure of which is punishable by imprisonment. Typical Hong Kong applicants who manufacture in Mainland China would have a substantial or reasonable portion of an invention contributed to their facilities in Mainland China. They would therefore effectively have to first file in China.
- Song & Chan think that Hong Kong does not have the ability to adopt an OGP system.
- Danny Chan thinks that it is not necessary to introduce an OGP system in Hong Kong as the market size and population are not large enough.
- Sam Yip considers it unlikely that inventors will deploy resources to go through an expensive patent application process just to obtain a patent in Hong Kong and the more common scenario is to seek at least a patent in a larger market in addition to Hong Kong. Hence, an OGP system that co-exists with the current re-registration system will not generate sufficient demand while an OGP system in place of the current re-registration system will not be cost-effective.
- Nigel Lee thinks that there will be sufficient demand to support an OGP system in the long run, as innovation and creativity are getting more and more important in Hong Kong. The initial cost for an OGP system may, in his view, be minimised by outsourcing part of the examination process (e.g. patent searching) to overseas patent offices like SIPO and as filing rate increases, the full implementation of an

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	<p>OGP system within Hong Kong can be launched.</p> <ul style="list-style-type: none">● Kam Wah Law thinks that there will be sufficient demand as the number of applications for standard patents in Hong Kong is higher than that of applications for patents in Singapore.● Benny Kong is of the view that the demand for an OGP system is massive – not only the locals, but also overseas inventors have such a demand.● A respondent thinks that there is no harm to initially maintain a dual OGP and re-registration system and market forces will decide whether one or both systems should be maintained.● A respondent notes that it is difficult to forecast whether there will be sufficient demand to support an OGP system and that whilst an OGP system will be discouraging to a certain extent for certain inventions or patent applicants, an OGP system will not be discouraging for products with high commercial potential. He further opines that the demand should be regarded as sufficient even if only 10% of the standard patent filings are OGP filings. He estimates that the number of OGP filings would not fall below 1,000 per year given the high commercial values of many products in the Hong Kong market. He considers that the issue of whether an OGP system is cost-effective should be viewed from at least two perspectives, namely that from a patent applicant and that from the Government. Whilst it is a purely commercial decision to an applicant as to whether the system is cost-effective, the Government should assess the cost-effectiveness of the system on the basis whether the Hong Kong society as a whole would benefit. He considers that an OGP system would create a more encouraging environment for patent filings and more job opportunities and promote trading of IP rights. Furthermore, in comparison to the OGP system in Singapore (which has only half of the population in Hong Kong) that is considered as cost-effective, the respondent considers an OGP
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		<p>system in Hong Kong (which is a larger market) should be cost-effective as well.</p>
<p>2.5</p> <p><u>Others</u></p> <ul style="list-style-type: none"> ● HKPC ● Universal Display Corporation Hong Kong, Ltd. ● Scholar Corporation ● Blessed Inc ● Bach Limited 		<ul style="list-style-type: none"> ● HKPC opines that an OGP system stands ready to obtain local customer support as it can directly undertake patent searches and examine patent applications without the use of overseas patent offices. It also highlights the fact that Hong Kong is an attractive jurisdiction for overseas applicants to file patent applications, with its status as the world’s freest economy and as a stepping stone to the huge technological market in Mainland China. Hong Kong, being Asia’s IP business hub, has an efficient marketing infrastructure to offer IP trading through a network of experienced agents with international exposure. HKPC anticipates that an OGP system in Hong Kong will drive up the demand for patent applications. This is because Hong Kong’s bilingual OGP system could attract patent applications from overseas and thus create a larger demand for the filing of patent applications and the translation of patent specifications for filing in Mainland China. HKPC also opines that the demand will increase under an OGP system if Hong Kong Patents Registry and SIPO would set up a PPH so that once a patent is granted by either SIPO or the Hong Kong Patents Registry, the applicant of the said patent could request the examiners of the other patent authority to reuse the search and examination results of that patent to speed up the application process. Given that the number of patent applications has continued to grow, an OGP system, once established, will then gain economies of scale and will increase the cost-effectiveness of its operation. ● Universal Display Corporation Hong Kong, Ltd. thinks that modifying the re-registration system is more cost-effective. ● Scholar Corporation, Blessed Inc and Bach Limited are of the view that if an OGP system is introduced in Hong Kong and the “user pays” approach is adopted, the cost of obtaining a patent under the OGP system may be as much, if not more, than that under the current re-registration system. In view of the significant amount of time and funds required to achieve the necessary level of competency, there is no

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		<p>hope that an OGP system can be introduced at a cost that is even competitive with the examination systems already in place in other first world industrialised countries around the world.</p> <ul style="list-style-type: none"> ● Bach Limited comments that a well managed“smart” business will not restrict its patent filing program to Hong Kong, and identifies the following factors that affect businesses in deciding where to obtain protection for their patent rights: <ul style="list-style-type: none"> (a) where their goods are manufactured (in many cases China); (b) where they market, license and/or distribute their goods (in many cases Europe, Japan, the US and more recently China); and (c) where the competitors’ goods are manufactured (in many cases China) and marketed (in many cases Europe, Japan, the US and more recently China) to prevent possible infringements. ● Scholar Corporation, Blessed Inc and Bach Limited are concerned that if an OGP system is set up in Hong Kong but the “user pays” approach is not adopted, taxpayers and the public will need to subsidise the OGP system and a limited number of inventors and commercial entities who may wish to file patents.
<p>2.6</p>	<p><u>Individuals</u></p> <ul style="list-style-type: none"> ● Stanley ● Ms. Lee ● Eric Yung ● 黎錦新 	<ul style="list-style-type: none"> ● Stanley believes that since Hong Kong is only a small market, there will not be sufficient filings to support the costs of such a system and hence it is not cost-effective. ● Ms. Lee opines that the costs will be lower if the system is more intensively managed, having different staff members allocated to be in charge of different types of works, with staff handling more cases to be paid more. She is of the view that an OGP system in Hong Kong will definitely be cost-effective.

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<ul style="list-style-type: none"> ● 龔春暉 ● Hui Wing Kin ● 周耀榮 ● Guy Chan ● 王仁平 ● Anonymous respondents 	<ul style="list-style-type: none"> ● Despite an insufficient demand to support an OGP system in Hong Kong, Eric Yung is of the view that the Government should, nonetheless, establish an OGP system to start the ball rolling. He opines that this will provide confidence to industries (especially technology-related industries) that the Government is determined to assist and encourage research in Hong Kong. It will enhance the trust between industries and the Government leading to a reduction of political pressure it faces, and an increase in efficiency in promotion of technology-related policies. ● Eric Yung thinks that when considering the cost-effectiveness of an OGP system, potential benefits of the OGP system to Hong Kong as a whole should be taken into account, such as increase in foreign direct investment due to the OGP system and growth in GDP resulted from new businesses (e.g. patent-related education businesses). ● 黎錦新 comments that in light of the Government's claim to develop creative industries in Hong Kong, the Government should not be deterred from establishing an OGP system simply because there is currently an insufficient demand to support the system. ● 龔春暉 does not think that it will be cost-effective to establish an OGP system in Hong Kong at this stage. She is concerned that an OGP system will increase the cost of obtaining patent protection in Hong Kong, which in turn will discourage local innovation and hinder overseas companies from setting up R&D centres in Hong Kong. ● Hui Wing Kin comments that Hong Kong is a small city and cannot support an innovative product solely on local demand. Although his company is Hong Kong-based, it always looks for opportunities to export products to overseas markets, such as China, the US and Europe. He often obtains patent protection for innovative products in China. Under the current patent system, he can first obtain
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patent grant in China, then apply for re-registration of the patent in Hong Kong at reasonable costs. However, if an OGP system is introduced in Hong Kong, he will need to file a separate patent application in Hong Kong. He is wary that the additional patent application will create extra costs, uncertainty and delay for an inventor seeking patent protection in Hong Kong.

- 周耀榮 does not think there will be demand for the OGP system.
- Guy Chan thinks that any system can be cost-effective if the one who runs it wants it to be. He however opines that the higher the price tag, the lower will be the demand and the system will end up being a white elephant.
- 王仁平 thinks that an OGP system will be cost-effective if substantive examination is outsourced since the examination can be done by the jurisdiction in which the applicant wishes to apply for a patent.
- A respondent highlights the fact that the number of applications for patents filed during the past five years is on the low side and the costs will outweigh the benefits of setting up a separate body or mechanism to deal with patent applications.
- A respondent stresses that importance should be placed on promoting innovative inventions rather than the cost-effectiveness of the system.
- A respondent thinks that whether there will be sufficient demand for the OGP system will depend on whether the OGP system is to replace the short-term patent system or the standard patent system. He suggests that, for multinational corporations, the filing strategy is made early on and making the Hong Kong system more expensive and complicated would increase the risk of such parties not opting to file in Hong Kong; whereas for smaller companies, they generally file a first patent in their home country and then decide whether to file elsewhere later and, because of the small market that Hong Kong represents, filing in Hong Kong is

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	<p>often done only because these companies have already filed at EPO or China. Many factors affect the decision and one of these is cost. Overall, the respondent believes the OGP system could work but IPD should assume that over a few years the filing rate may drop by 25-50% if OGP is the only option.</p> <ul style="list-style-type: none">● A respondent believes that there will be sufficient demand for an OGP system in Hong Kong because there are still many local companies that create new products. He also suggests that there should be different charges for patent applications for different products, ranging from a few hundred to a few thousand Hong Kong dollars so as to cover the examination fees and the system can remain cost-effective.
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	Organisations / Individuals	Views / Concerns
3.1	<p><u>Industrial / Trade Associations</u></p> <ul style="list-style-type: none"> ● CMA ● HKAPIA ● TMHK ● HKEIA ● HKMFS ● FHKI ● PVCHK ● HKGCC ● LESC-HK 	<ul style="list-style-type: none"> ● CMA is of the view that at the beginning stage of the promulgation of the OGP system, part of the substantive examination work should be outsourced to other appropriate patent offices such as SIPO. The reputation of the outsourced patent offices in respect of confidentiality is important in considering the patent office to which substantive examination should be outsourced. ● HKAPIA, TMHK, HKEIA, HKMFS and PVCHK consider the option of introduction of an OGP system in Hong Kong with substantive examination outsourced to other patent office(s) to be more viable. They further suggest that SIPO should be the patent office to which such substantive examination is outsourced, and they consider this will have the benefit of (a) providing a better basis for the mutual recognition of patents granted by Hong Kong and Mainland China; and (b) the filing of more patent applications for overseas innovative inventions attracted through Hong Kong. ● FHKI considers that Hong Kong does not have enough expertise to handle various fields of substantive examination, and it will be appropriate to outsource substantive examination to SIPO in the beginning. The Government should proceed to formulate plans for personnel training and eventually aim at replacing the outsourcing with in-house substantive examination. ● As there is no compelling need to set up an OGP system in Hong Kong, HKGCC thinks that the Government should take time to organise and maintain a large team of examiners and develop a comprehensive technical database at reasonable costs.

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		<ul style="list-style-type: none"> ● Whilst LEESC-HK in principle objects to the introduction of an OGP system to Hong Kong, in case an OGP system is to be implemented, it proposes that the substantive examination should be outsourced and the costs of setting up and operating the OGP system should be borne by the users of that system. It further proposes that Hong Kong should set up PPH with other patent offices.
<p>3.2</p> <p><u>Professional Bodies</u></p> <ul style="list-style-type: none"> ● HKIPA ● HIPP ● HKITMP ● APAA ● The Law Society 		<ul style="list-style-type: none"> ● HKIPA considers the option of introduction of an OGP system in Hong Kong with substantive examination outsourced to other patent office(s) to be more viable. HKIPA further suggests that SIPO should be the patent office to which such substantive examination is outsourced, and it considers this will have the benefit of (a) providing a better basis for the mutual recognition of patents granted by Hong Kong and Mainland China; and (b) the filing of more patent applications for overseas innovative inventions attracted through Hong Kong. ● HIPP opposes the introduction of an OGP system with substantive examination outsourced to other patent office(s) and proposes that Hong Kong should introduce a full OGP system in a period of five years so that the Government will have sufficient time to build the examination division, examiners, certified patent attorneys and related profession. At the initial stage of the full OGP system, IPD can work with SIPO to train up Hong Kong examiners as it takes time for the development of expertise. ● HKITMP is of the view that the current standard patent system is akin to an OGP system with substantive examination outsourced to other patent offices. ● APAA is not convinced that establishment of an OGP system where substantive examination is outsourced would achieve the objectives of an OGP system as set out

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	<p>in Paragraph 1.40 of the Consultation Paper.</p> <ul style="list-style-type: none">● APAA does not consider establishment of an OGP system with in-house substantive examination capability in Hong Kong is even remotely viable. Therefore, if an OGP system is introduced in Hong Kong, substantive examination will need to be outsourced to other patent offices that are credible and meet any concerns on language-related issues, such as the USPTO, EPO, SIPO, UKPO, Australia Patent Office (“IP Australia”) and Japan Patent Office (“JPO”).● Instead of introducing an OGP system in Hong Kong with substantive examination outsourced to other patent office(s), APAA recommends introducing a “modified examination” patent system.● The Law Society considers that if an OGP system is introduced in Hong Kong, in view of the substantial resources to be invested and the time required to build up local expertise, it is sensible to outsource substantive examination to other patent offices. However, it points out that if it is considered important to develop a local patent profession in Hong Kong, care should be taken to consider whether outsourcing to SIPO may give PRC patent practitioners added competitive advantage hence counter-productive to the objective of nurturing local talents.● The Law Society is of the opinion that, taking into account language consideration, SIPO, EPO, UKPO, the USPTO and IP Australia may be considered when deciding to which patent office(s) substantive examination is outsourced.● The Law Society warns that whilst having more recognised patent offices may minimise the cost of duplication if the applicant can choose an examination office where he has already filed an earlier application, the increased list of examination
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		<p>offices may bring in elements of foreign law which is not consistent or compatible with the Hong Kong patent law. Although to some extent, this has been the case with the current re-registration system relying on grants from the three overseas designated patent offices, the expectation for consistency of grant will be much greater with an original grant from Hong Kong despite outsourcing of the substantive examination.</p>
<p>3.3</p> <p><u>Political Parties / Groups</u></p> <ul style="list-style-type: none"> ● DAB ● New People's Party (新民黨) 		<ul style="list-style-type: none"> ● DAB opines that there may not be sufficient examiners with necessary technical expertise and a technical database which is comprehensive enough for the purpose of substantive examination at the preliminary stage of the establishment of the OGP system in Hong Kong. Hence at the initial stage, DAB considers that substantive examination of patents applied in Hong Kong should be outsourced to SIPO by an outsourcing agreement between SIPO and Hong Kong. At the same time, a technical database should be set up and talents possessing necessary technology expertise should be imported. Hong Kong should also strive for the mutual recognition for patents registered in Hong Kong and Mainland so as to attract overseas organisations and parties engaging in inventions or patent-related industry to develop their businesses in Hong Kong. When the conditions become appropriate for in-house substantive examination, Hong Kong should then consider arranging the conduct of substantive examination for suitable patent applications in Hong Kong. Hong Kong should then create niches in patent examination and build up its international reputation in that aspect so as to attract other regions to outsource substantive examination of their patent applications to Hong Kong. ● New People's Party believes that Hong Kong should consider in-house substantive examination as the training of patent expertise will mean more IP business and greater economic benefits. In addition, if the search and examination capabilities

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		<p>of Hong Kong reach national or international standards, that will attract more patent filings and Hong Kong may even handle substantive examination for other jurisdictions that do not have such capacity, thereby increasing income.</p>
<p>3.4</p> <p><u>Academic Sector</u></p> <ul style="list-style-type: none"> ● Raymond Yiu ● Dr C W Tso ● Biochemistry Alumni Association, HKUST 	<ul style="list-style-type: none"> ● Raymond Yiu cites the examples of Singapore and Macao as references and opines that an OGP system with outsourcing arrangement is preferred at the beginning stage of the implementation of an OGP system as it is more cost-effective. The issue of whether Hong Kong should have an OGP system without outsourcing arrangement should be evaluated from time to time in light of incoming information and evidence. ● Dr C W Tso considers it prudent and expedient to outsource substantive examination to other patent offices like EPO, SIPO and USPTO. Nonetheless, he recommends that further study be conducted on the reason why the patent offices of Austria, Denmark and Hungary (which are not English speaking countries and are not major trading partners of Singapore) were chosen by Singapore to become outsourced examination patent offices. ● In the view of Biochemistry Alumni Association, HKUST, Hong Kong can follow the practice of Singapore in offering flexibility to the patent applicants so that substantive examination can be outsourced to other patent offices or be done by the Hong Kong patent office. In addition to the three current designated patent offices, Hong Kong patent offices may outsource to the US, Japan, Korea and Germany where there can be easier localisation for marketing the products where the patents are written in their local languages and recognised by the local patent offices. 	

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3.5 Legal Practitioners / Patent Practitioners

- QPA Group
- King & Wood
- Song & Chan
- Danny Chan
- Nigel Lee
- Kam Wah Law
- Kenneth Yip
- Sam Yip
- Benny Kong
- Anonymous respondent

- QPA Group recommends introducing a “modified examination” patent system instead of an OGP system with substantive examination outsourced to other patent office(s).
- QPA Group considers that if an OGP system is introduced in Hong Kong, substantive examination will need to be outsourced to other patent offices from a practical point of view. In addition, if the re-registration system is maintained, there will not be sufficient demand to support in-house substantive examination.
- QPA Group suggests that substantive examination can be outsourced to USPTO, EPO, SIPO, UKPO, IP Australia and JPO.
- King & Wood is of the view that although it is not realistic to expect a patent office to have a sophisticated substantive examination capability overnight, it believes that there is no reason why Hong Kong cannot have its own locally trained examiners while other territories with similar background (e.g. Singapore) can.
- Song & Chan comment that if an OGP system is adopted in Hong Kong, substantive examination will most likely be outsourced, in which case the OGP system is not very different from the current re-registration system.
- Danny Chan opines that it is not economical to set up a patent examination section in Hong Kong. Further he is of the opinion that at this stage, Hong Kong does not have many qualified patent examiners in different fields of technologies and suggests outsourcing substantive examination to USPTO, EPO or SIPO.
- Nigel Lee is of the view that outsourcing should be introduced as a transitional arrangement and in-house substantive examination should be the aim in the long

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term. SIPO is the preferred patent office for outsourcing because of their language capability to conduct search in English and Chinese. Alternatively, PPH can be adopted as is being done among major patent offices.

- In the opinion of Kam Wah Law, outsourcing substantive examination will mean the loss of the means to support a large number of highly paid patent examiners and patent agents and patent attorneys. This, he says, will hurt Hong Kong's reputation as a "can-do city" and will be a great insult to local talents and Hong Kong society as a whole.
- Kenneth Yip thinks that processes like examination, invalidation and other procedural matters can be outsourced to local private entities, public organisations, SIPO or foreign patent offices if the Government is concerned with cost and speed.
- Sam Yip is of the view that there is no compelling reason for establishing an OGP system in Hong Kong.
- Benny Kong suggests outsourcing substantive examination to SIPO.
- A respondent points out that some degree of local research/substantive examination should be implemented and objects to the implementation of a pseudo-OGP system in which Hong Kong merely acts as a post box and the substantive examination is completely outsourced to foreign patent offices. One option which the Government could consider is to implement a system like that in Singapore, under which the applicant could choose whether there is local search/examination or choose whether to rely on granted claims from a foreign patent. Another option for the Government to consider is to modify the OGP system in Singapore to some degree. He is of the view that the patent offices to which substantive examination

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		<p>is outsourced should be those in jurisdictions adopting the common law system, for example, the UK. One further opinion suggested is to outsource substantive examination to local independent patent attorneys.</p>
<p>3.6</p>	<p><u>Others</u></p> <ul style="list-style-type: none"> ● HKPC 	<ul style="list-style-type: none"> ● HKPC considers that the best option is to outsource substantive examination to other patent offices if an OGP system is to be implemented in Hong Kong. They suggest that substantive examination should be outsourced to patent offices which have experience in such service and use Chinese or English as its official language, such as SIPO.
<p>3.7</p>	<p><u>Individuals</u></p> <ul style="list-style-type: none"> ● Stanley ● Ms. Lee ● Eric Yung ● 黎錦新 ● Ng Chan Wai ● 龔春暉 ● Hui Wing Kin ● Anonymous respondents 	<ul style="list-style-type: none"> ● Stanley thinks that the time and costs required for outsourcing substantive examination will be more or less the same as those for applying directly to patent offices in other countries; and so it is not necessary to introduce an OGP system in Hong Kong. ● Ms. Lee opposes outsourcing of substantive examination and she is of the opinion that substantive examination of patents should be faster and cheaper if it is conducted in Hong Kong. Outsourcing of substantive examination will be indirect, unfair and expensive. She further opines that there are numerous experts to carry out substantive examination in Hong Kong. ● Eric Yung suggests outsourcing substantive examination to SIPO and USPTO. ● 黎錦新 believes that substantive examination can be temporarily outsourced. ● Ng Chan Wai supports outsourcing substantive examination to another examining authority at the beginning stage of the introduction of the OGP system in Hong Kong.

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3. Should we introduce an OGP system in Hong Kong with substantive examination outsourced to other patent office(s), and, if so, which office(s) and why?

	<p>Kong.</p> <ul style="list-style-type: none">● 龔春暉 thinks that substantive examination should be outsourced to SIPO.● Hui Wing Kin comments that outsourcing substantive examination to other patent offices will defeat the purpose of gaining local expertise, and is concerned that such an arrangement will increase the costs and time required to obtain a patent in Hong Kong.● A respondent suggests that even if substantive examination of patents is outsourced to other patent offices, Hong Kong should also develop its own experience in that aspect and start to maintain a technical database from the beginning. Part of the substantive examination should be conducted in Hong Kong so that Hong Kong experts can gain more experience. At the initial stage of outsourcing arrangement, only five patent offices should be designated as outsourced examination authorities, namely SIPO, UKPO (for continuity), EPO (for continuity) and two other patent offices to be selected on the basis of their trade volumes with Hong Kong.● A respondent suggests the replacement of the short-term patent system with an OGP system to appease those pushing for an OGP system and to also allow IPD to assess demand for OGP. If the OGP system replaces the standard patent system, then the respondent suggests following the Singaporean model to allow applicants to choose between self-examination and re-registration and with a choice of outsourcing to UK, SIPO or IP Australia.● A respondent supports the outsourcing of substantive examination so as to save the costs of employing experts of different fields for the long term. For applications in Chinese, he suggests outsourcing substantive examination to the patent office of
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Chapter 1 : Standard Patent System (64 submissions received)

3. Should we introduce an OGP system in Hong Kong with substantive examination outsourced to other patent office(s), and, if so, which office(s) and why?

		Taiwan and for applications in English, he suggests the patent offices of Austria or Hungary.
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Chapter 1 : Standard Patent System (64 submissions received)

4. Should the current re-registration system be maintained, and, if so, should the system be modified as appropriate, including expansion to recognise the patents granted by other jurisdiction(s), and, if so, which jurisdiction(s)?

	Organisations / Individuals	Views / Concerns
4.1	<p><u>Industrial / Trade Associations</u></p> <ul style="list-style-type: none"> ● CMA ● HKAPIA ● TMHK ● HKEIA ● HKMFS ● PVCHK ● HKMMA ● FITMI ● FHKI ● AmCham ● HKGCC ● HKAPI 	<p>All respondents in this group agree that the re-registration system should be maintained and some consider that the system should be expanded to recognise patents granted by other jurisdictions.</p> <p><u>Specific views</u></p> <ul style="list-style-type: none"> ● CMA opines that the existing re-registration system is convenient and cost-effective. The system should be expanded to recognise patents granted by other jurisdictions in which Hong Kong enterprises usually invest, such as the US, Canada and Australia. ● HKAPIA, TMHK, HKEIA, HKMFS, PVCHK and HKMMA all share the view that the system should be expanded to recognise patents granted by other Hong Kong's principal trading partners such as the US, Canada and Australia, and EPO (designating other European Union countries). ● FITMI opines that the current re-registration system should be retained so that an alternative to the OGP system is available to inventors. ● FHKI considers that the current re-registration system has its benefits and should be retained in parallel with an OGP system. It also suggests expansion of designated patent offices to include the US, Australia, Canada and Japan. ● AmCham is of the view that the current re-registration system should be improved

Chapter 1 : Standard Patent System (64 submissions received)

4. Should the current re-registration system be maintained, and, if so, should the system be modified as appropriate, including expansion to recognise the patents granted by other jurisdiction(s), and, if so, which jurisdiction(s)?

<ul style="list-style-type: none"> ● LE SC-HK 	<p>and suggests adding to the list of current designated patent offices those of the US, Japan, Canada and/or Australia.</p> <ul style="list-style-type: none"> ● HKGCC believes that the existing re-registration system should be maintained to cater for inventors who have gone through substantive examination elsewhere. Appropriate expansion to recognise the patents granted by other jurisdictions, such as the US is suggested. ● HKAPI is of the opinion that the current re-registration system offers an inexpensive and quick way of obtaining patent protection in Hong Kong and is convenient for users. It recommends that the present re-registration system be maintained without any change as it has, over the years, proved to be capable of satisfactorily meeting the needs and demands of the members of HKAPI in Hong Kong. ● LE SC-HK strongly recommends the continuation of the current re-registration system but the following changes should be made: <ul style="list-style-type: none"> (a) allow more flexibility in the time to file a request to record a designated patent application and to file a request for registration and grant of a standard patent. It is recommended that provisions should be made for extension of time in carrying out the two steps in the re-registration process; and (b) expand to recognise patents granted by major economies like the US, Japan and Korea (LE SC-HK agrees with the criteria for the selection of additional designated patent offices as stated in the Consultation Paper).
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4.2 Professional Bodies
 Most respondents in this group consider that the re-registration system should be maintained. However, there are diverse views regarding whether to expand the list of

Chapter 1 : Standard Patent System (64 submissions received)

4. Should the current re-registration system be maintained, and, if so, should the system be modified as appropriate, including expansion to recognise the patents granted by other jurisdiction(s), and, if so, which jurisdiction(s)?

<ul style="list-style-type: none"> ● HKIPA ● HIPP ● HKITMP ● APAA ● The Law Society 	<p>designated patent offices.</p> <ul style="list-style-type: none"> ● HKIPA considers that the re-registration system should be maintained at this stage and suggests that the re-registration system should be expanded to recognise patents granted by other Hong Kong’s principal trading partners, such as the US, Canada and Australia, and EPO (designating other European Union countries). ● HIPP proposes that the re-registration system should be retained for five years after the commencement of the full OGP system. This will provide applicants with the option of re-registration as an alternative so as to reduce the workload under the full OGP system. Evaluation of the two systems should be carried out after five years. ● HIPP considers that the current re-registration system relinquishes the granting authority of Hong Kong patents to the designated jurisdictions, and that this is an unfair situation that needs to be reconsidered. HIPP proposes that negotiations be entered into with SIPO, EPO and UKIPO for reciprocity of re-registration. ● HKITMP considers that the current re-registration system should be maintained without any change as it is a cost-effective and relatively simple system that provides certainty of granted patents. ● HKITMP is concerned that if the list of designated patent offices is expanded, the discrepancies between different patent systems e.g. different approaches in the interpretation of patent claims, may lead to inconsistencies in the scope of protection attached to patents based on different designated patent office. HKITMP also opines that the international reputation of Hong Kong as well as credibility should be borne in mind if recognition is to be extended to other foreign jurisdictions.
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Chapter 1 : Standard Patent System (64 submissions received)

4. Should the current re-registration system be maintained, and, if so, should the system be modified as appropriate, including expansion to recognise the patents granted by other jurisdiction(s), and, if so, which jurisdiction(s)?

- APAA suggests the following modifications:
 - (a) an introduction of a “modified examination” patent system, utilising the existing designated patent jurisdictions of China, the UK and Europe and include further jurisdictions which are considered credible from a substantive examination perspective; and
 - (b) an introduction of a full 20-year Hong Kong standard patent, which may be filed as a “first filing”, Paris Convention filing, or PCT national phase filing.
- APAA recommends inclusion of additional designated patent offices which are considered credible from a substantive examination perspective.
- The Law Society considers the current re-registration system has been serving Hong Kong very well and recommends that even if an OGP system is introduced, the current re-registration system should remain to allow applicants an inexpensive option.
- The Law Society suggests the following modifications:
 - (a) Hong Kong should keep an eye on the development of the PPH initiative to expand recognition to PPH member countries which have arrangement with the current three designated patent offices (e.g. EPO for patents not designating the UK);
 - (b) introduce extension of time for patent applications; and
 - (c) simplify the procedure for amending patents.

Chapter 1 : Standard Patent System (64 submissions received)

4. Should the current re-registration system be maintained, and, if so, should the system be modified as appropriate, including expansion to recognise the patents granted by other jurisdiction(s), and, if so, which jurisdiction(s)?

4.3	<p><u>Political Parties / Groups</u></p> <ul style="list-style-type: none"> ● DAB ● Economic Synergy 	<ul style="list-style-type: none"> ● DAB supports the expansion of the re-registration system to recognise patents granted by Hong Kong’s other principal trading partners, such as the US, Canada and Australia, and EPO (designating other European Union countries). The retention of the re-registration system will provide a buffer to the new OGP system and offer more available options to applicants. The expansion of the system to recognise patents granted by Hong Kong’s other principal trading partners can attract businesses to develop in Hong Kong. ● Economic Synergy suggests retaining the re-registration system in order to maintain a demand for the services of patent attorneys who are now assisting SMEs or inventors to obtain patent grants in the three designated patent offices.
4.4	<p><u>Academic Sector</u></p> <ul style="list-style-type: none"> ● Raymond Yiu ● Dr C W Tso ● Biochemistry Alumni Association, HKUST 	<ul style="list-style-type: none"> ● Raymond Yiu opines that the current re-registration system should be maintained as it would facilitate Hong Kong’s linkage with the technological and innovation development in Mainland China and Europe. He supports the expansion of the system to recognise patents granted by the USPTO. ● Dr C W Tso agrees that the current re-registration system should be retained as an interim measure. He advises that the list of designated patent offices be expanded, taking into account those accepted by Singapore as prescribed patent offices, and suggests a number of factors to be considered when selecting additional designated patent offices: <ul style="list-style-type: none"> (a) jurisdiction that has strong trade tie with Hong Kong; (b) the system uses the official languages in Hong Kong;

Chapter 1 : Standard Patent System (64 submissions received)

4. Should the current re-registration system be maintained, and, if so, should the system be modified as appropriate, including expansion to recognise the patents granted by other jurisdiction(s), and, if so, which jurisdiction(s)?

		<p>(c) standards and quality of patents issued are well respected internationally; and</p> <p>(d) common law jurisdiction.</p> <ul style="list-style-type: none"> ● Biochemistry Alumni Association, HKUST is of the view that the re-registration system should be maintained, with recognition of patents granted by the patents offices in the US, Japan, Korea and Germany, as an alternative in the transitional stage for easier implementation of the new patent system.
<p>4.5</p>	<p><u>Legal Practitioners / Patent Practitioners</u></p> <ul style="list-style-type: none"> ● QPA Group ● King & Wood ● Danny Chan ● Nigel Lee ● Kam Wah Law ● Sam Yip ● China Intellectual Property (H.K.) Limited ● Benny Kong ● Anonymous respondents 	<p>A majority of the respondents in this group support the retention of the current re-registration system.</p> <p><u>Specific Views</u></p> <ul style="list-style-type: none"> ● A respondent proposes that the current re-registration system should be maintained for a while and during the transition period, a patent applicant can choose to make either an OGP application or a re-registration application. He objects to the expansion of the system to recognise patents granted by other jurisdictions for the following reasons: (a) there are historical reasons for the choice of the current designated patent offices and expansion of the system to other patent offices is inconsistent with the historical reasons; and (b) complications will arise from the different standards on patentability under the laws of other jurisdictions. ● QPA Group recommends the following modifications: <ul style="list-style-type: none"> (a) introduction of a “modified examination” patent system; and (b) expansion of the patent system to include a 20-year Hong Kong standard patent, which may be filed as a “first filing”, “convention filing”, or “PCT

Chapter 1 : Standard Patent System (64 submissions received)

4. Should the current re-registration system be maintained, and, if so, should the system be modified as appropriate, including expansion to recognise the patents granted by other jurisdiction(s), and, if so, which jurisdiction(s)?

<p>national phase filing”.</p> <ul style="list-style-type: none">● QPA Group warns that the well-established international respect of the Hong Kong patent system will be lost if there are any changes to the Hong Kong patent system which reduce the presumption of validity (which they consider likely to happen if recognition is extended to patents granted by less reputable patent offices) and increase pollution of the patents register with invalid patents.● King & Wood supports retaining the current re-registration system for the following reasons:<ul style="list-style-type: none">(a) the re-registration system appeals to international businesses which view Hong Kong as a relatively small market, and may not otherwise choose to incur the time and costs to apply for and register an original grant patent in Hong Kong; and(b) a lot of R&D facilities of Hong Kong enterprises have moved to China, and since China requires inventions created in China to be first filed there, a lot of inventions created by Hong Kong-based or Hong Kong-funded companies have to be first filed in China. The re-registration system is suitable for such companies.● Danny Chan rejects the mechanism of re-registration as he is of the view that under such system, it takes a longer time to obtain grant of a patent, which in turn discourages patent applicants who want to obtain statutory protection.● Nigel Lee thinks that the re-registration system should be retained as the cost for maintaining it is low and it is convenient to parties who have already filed an application in a designated patent office. As for modification of the system, he	
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Chapter 1 : Standard Patent System (64 submissions received)

4. Should the current re-registration system be maintained, and, if so, should the system be modified as appropriate, including expansion to recognise the patents granted by other jurisdiction(s), and, if so, which jurisdiction(s)?

thinks that a grace period for late filing of the request to record and the request for registration and grant should be allowed, like the two-month as of right extension for filing PCT national phase entry in China.

- Kam Wah Law holds strong views against the retention of the re-registration system. In his view, the system is equivalent to allowing other countries to enforce their judgments in Hong Kong but there is no reciprocal arrangement for Hong Kong judgments and no country in this world allows such a system because it means the surrender of the country's jurisdiction or sovereignty to other countries. He is also concerned that under the re-registration system, Hong Kong just receives a secondary disclosure of the invention, that is after the primary disclosure in the jurisdiction of the designated patent office and as a result, Hong Kong citizens and enterprises will not learn of the invention earlier than their competitors in Europe or China. As such, the system is not in line with a right patent policy.
- Sam Yip suggests including the patent offices of the US, Japan and other European Union members as designated patent offices on ground of the volume of trade between Hong Kong and these places and the number of applications these offices receive. Like Nigel Lee, he supports allowing a grace period for filing the request to record and the request for registration and grant on payment of a surcharge.
- China Intellectual Property (H.K.) Limited supports the inclusion of USPTO and EPO as designated patent offices.
- Benny Kong suggests that patents granted by the US should also be recognised.
- A respondent opines that the current re-registration system should be maintained subject to the modification that a security clearance procedure should be introduced.

Chapter 1 : Standard Patent System (64 submissions received)

4. Should the current re-registration system be maintained, and, if so, should the system be modified as appropriate, including expansion to recognise the patents granted by other jurisdiction(s), and, if so, which jurisdiction(s)?

		<p>He does not support the recognition of patents by other jurisdictions in view of the differences in patent law in different jurisdictions. He feels that a broad recognition of foreign patents would cause confusion to the users and often give them a false sense of security of having a patent that may not be patentable in the first place. Hong Kong ought to only recognise patents of other jurisdictions which have similar patentability laws to avoid the grant of unnecessary patent rights.</p>
<p>4.6</p> <p><u>Others</u></p> <ul style="list-style-type: none"> ● HKPC ● APICC ● Universal Display Corporation Hong Kong, Ltd. ● Scholar Corporation ● Blessed Inc ● Bach Limited 		<ul style="list-style-type: none"> ● HKPC supports the retention of re-registration system and the operation of the system in parallel with the OGP system. HKPC also recommends that patents granted by other jurisdictions which undertake substantive examination using either English or Chinese, including China, the US, the UK, Canada, Australia and EPO designated contracting states that use English as the official language, should be recognised. ● APICC supports expanding recognition of patents granted by other jurisdictions. ● Universal Display Corporation Hong Kong, Ltd. considers that the current re-registration system should be maintained and be expanded to recognise patents granted by more international patent offices, in particular those of the US and Japan, because they are evolving into a very similar system and differences already exist in the laws of the three current offices anyway. ● Scholar Corporation, Blessed Inc and Bach Limited consider that the current re-registration is working well and efficiently and should be maintained. They have no objection to extending the number of designated patent offices under the re-registration system, and recommend the Government to consider Japan, Germany and the US as these countries are major economies along with China. They also

Chapter 1 : Standard Patent System (64 submissions received)

4. Should the current re-registration system be maintained, and, if so, should the system be modified as appropriate, including expansion to recognise the patents granted by other jurisdiction(s), and, if so, which jurisdiction(s)?

		<p>suggest including jurisdictions which have lower examination and registration costs in order to reduce the total costs of obtaining a standard patent in Hong Kong.</p>
<p>4.7</p> <p><u>Individuals</u></p> <ul style="list-style-type: none"> ● Alan Knowles ● Stanley ● Tom Lam ● Ms. Lee ● Ng Chan Wai ● 龔春暉 ● Hui Wing Kin ● 周耀榮 ● Anonymous respondents 		<ul style="list-style-type: none"> ● Alan Knowles is of the view that a dangerous situation will arise if there is any kind of automatic registration of patents granted by another jurisdiction because subjects which are not patentable in Hong Kong, in particular software, may be patentable in another jurisdiction. He also suggests that anyone seeking patent for non-patentable subject should face serious penalties. ● Stanley considers that the re-registration system should be retained for patents which were already granted by foreign organisations. In deciding whether the system should be expanded to recognise patents granted by other jurisdiction(s), the patent laws of those jurisdictions should be considered. ● Two respondents share the view that it is not necessary to change the current re-registration system. ● Tom Lam opines that the current re-registration system should be maintained and be expanded to recognise patents granted by other jurisdictions, for example, the US or Australia. ● A respondent supports the retention of the re-registration system but suggests that patents granted by the existing three designated patent offices and two other patent offices (to be selected on the basis of their trade volumes with Hong Kong) should be recognised. ● Ms. Lee suggests that the re-registration system should be used until the establishment of the OGP system is completed. Afterwards, an OGP system

Chapter 1 : Standard Patent System (64 submissions received)

4. Should the current re-registration system be maintained, and, if so, should the system be modified as appropriate, including expansion to recognise the patents granted by other jurisdiction(s), and, if so, which jurisdiction(s)?

should be used but she also suggests that both the OGP and re-registration systems should operate in parallel with each other.

- Ng Chan Wai opines that Hong Kong should consider expanding the list of designated patent offices to include USPTO, IP Australia and the Canadian patent office.
- 龔春暉 suggests maintaining the current re-registration system without expanding the list of designated patent offices since to a certain extent a patent system manifests the exercise of its sovereignty by a country.
- Hui Wing Kin opines that Hong Kong should consider expanding the list of designated patent offices to include USPTO, EPO (other than designating the UK), IP Australia, JPO and Korea Intellectual Property Office. He further suggests recognising patents granted by any one of the ISAs and IPEAs under the PCT.
- 周耀榮 supports the retention of the re-registration system.
- A respondent supports keeping the re-registration system but does not recommend its extension to patents of other jurisdictions as that would complicate the process with IPD having to understand and verify publication and grant dates from various jurisdictions which may not be as clear as the current designated patent offices. Further, in his view, avoiding this by changing from a “registration after publication system” to a system requiring filing under Paris Convention or PCT would risk many companies re-assessing their policy and deciding not to file in Hong Kong. He also suggests three changes to be made: (a) to require that a request to record under section 15 of the Patents Ordinance for a divisional application can only be filed if a request to record the related patent application in Hong Kong has been filed

Chapter 1 : Standard Patent System (64 submissions received)

4. Should the current re-registration system be maintained, and, if so, should the system be modified as appropriate, including expansion to recognise the patents granted by other jurisdiction(s), and, if so, which jurisdiction(s)?

- and is subsequently published; (b) to allow late filing of a request to record or a request for registration and grant upon payment of a surcharge which can be set at a high level to deter abuse; and (c) to allow amendment of a patent post grant for conforming with an amendment to the designated base patent.
- A respondent thinks that the re-registration system should be kept but modified to meet the standards approved by SIPO, EPO and USPTO to ensure that it is updated.

Chapter 1 : Standard Patent System (64 submissions received)		
5. Other suggestions / comments received.		
	Organisations / Individuals	Views / Concerns
5.1	<u>Industrial / Trade Associations</u> <ul style="list-style-type: none"> ● CMA ● FHKI 	<ul style="list-style-type: none"> ● CMA suggests that the Government should explore with patent offices to which it outsources the substantive examination work about the possibility of mutual recognition of patents granted. ● FHKI suggests that Hong Kong should consider negotiating with the PRC for mutual recognition of patents as and when the OGP system becomes mature. A mutual recognition regime will attract world-wide applications, and hence, business to Hong Kong.
5.2	<u>Professional Bodies</u> <ul style="list-style-type: none"> ● HIPP ● HKITMP ● APAA ● The Law Society 	<ul style="list-style-type: none"> ● HIPP suggests that IPD should negotiate for reciprocity of re-registration with SIPO, EPO and UKPO so that Hong Kong patents granted under the full OGP system can be registered in these jurisdictions. It further suggests that the substantive aspects of SIPO Examination Guidelines can be used as guidelines for substantive examination and for development of the body of law in Hong Kong. ● HKITMP refers to Article 107 of the Basic Law under which Hong Kong is required to maintain a balanced budget and opines that in the current economic recession, instead of allocating resources and funds to subsidise a patent system and a limited number of inventors and commercial entities who may wish to file patents, the Government should consider allocating funds to IPD to improve services currently offered. ● APAA notes that different jurisdictions adopt different approaches in interpretation of patent claims. Hong Kong adopts the principles of purposive claim construction

Chapter 1 : Standard Patent System (64 submissions received)

5. Other suggestions / comments received.

<ul style="list-style-type: none">• The Law Society points to a paper titled “<i>A Proposal for the Gradual Development of Original Patent Grant in Hong Kong</i>” jointly prepared by the DAB and HKIPA, and claimed to be based on a survey commissioned by HKIPA covering 13 representative Hong Kong organisations (representing about 6,500 enterprises). The Law Society is of the view that the premise and results of the survey do not appear convincing because:<ul style="list-style-type: none">(a) the claim to represent about 6,500 enterprises is based on the assumptions that (i) although the survey was carried out on the respective executive committee members of the business associations only, their views can be regarded as representing the views of their members; and (ii) there are 500 members in each of these business associations; and(b) the survey appears to be cursory and it is doubtful whether the respondents understood the implications to their answers. In particular, the core questions said to support an original patent grant were:-<ul style="list-style-type: none">“<i>Q5: Do you consider a complete patent registration system (including short term patents and standard patents) would be beneficial to the Hong Kong economy?</i>”<i>Q6: If Hong Kong had a complete patent registration system, will this encourage you to apply for patents?</i>” <p>The Law Society notes that a “complete patent registration system” is neither explained nor defined in the questionnaire, and queries whether the respondents understand what a complete patent registration system means when according to the survey, 74.6% of them do not know the difference</p>	
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Chapter 1 : Standard Patent System (64 submissions received)	
5. Other suggestions / comments received.	
	<p>between a short-term and a standard patent.</p> <p>In light of the above, the Law Society considers it presumptuous to conclude that the relatively low volume of applications of patents in Hong Kong is due to the companies being discouraged to apply for patents under the incomplete system in Hong Kong.</p> <ul style="list-style-type: none"> • The Law Society refers to a letter from Legislative Councillor Ms. Regina Ip to Mr. Wong Ting-kwong, Chairman of the Panel on Commerce and Industry expressing her views about the Hong Kong patent system (“Ms. Ip’s Letter”). The letter states that it is difficult for owners of standard patents to enforce their rights because a typical defendant would apply for invalidation of the patent in the country of origin then apply for a stay of the Hong Kong proceedings, and during that time, the defendant can continue to sell its infringing products. The Law Society points out that (a) even if an OGP system is introduced in Hong Kong, during litigation, a defendant can still challenge the validity of the standard patent by applying for revocation and applying for a stay of proceedings until the revocation proceedings is completed; (b) in all IP litigation, a defendant can continue the acts it is complained of unless there is an interlocutory injunction; and (c) if such acts are ultimately found by the court to be infringing acts, the defendant will be liable to the plaintiff for damages arising out of all such acts. The Law Society therefore considers that whether or not Hong Kong adopts an OGP system has nothing to do with whether there may be revocation proceedings and application for stay of the patent litigation pending the outcome of the revocation proceedings.
5.3	<p><u>Political Parties / Groups</u></p> <ul style="list-style-type: none"> • Economic Synergy <p>• Economic Synergy hopes that through Mainland China and Hong Kong Closer Economic Partnership Arrangement (“CEPA”), patents granted in Hong Kong and China can be mutually recognised. If mutual recognition cannot be achieved in the</p>

Chapter 1 : Standard Patent System (64 submissions received)

5. Other suggestions / comments received.

		<p>near future, Economic Synergy suggests liaising with China so that after a local applicant has filed a patent application in Hong Kong, a patent application for the same invention in China can be expedited under simplified procedures.</p>
<p>5.4</p>	<p><u>Legal Practitioners / Patent Practitioners</u></p> <ul style="list-style-type: none"> ● Chris Murray ● Song & Chan ● Danny Chan 	<ul style="list-style-type: none"> ● Chris Murray suggests reform in the following direction: <ul style="list-style-type: none"> (a) Instead of an OGP system, Chinese patents should be extended automatically to Hong Kong. The current two-step registration is bureaucratic and does not provide users with additional safeguards and assurance. He notes that most people who have patents in Hong Kong, Europe and the UK are very likely to have a Chinese patent anyway; and (b) IPD could become a receiving office for SIPO and permitting filing in a foreign language. This allows local applicants to receive a patent filing date and they can file the translation in one to three months thereafter. IPD, as a local branch of SIPO, may also provide documents required by the courts in Hong Kong in infringement proceedings or mediation/arbitration. It would be a better use of limited resources. ● Song & Chan are concerned about the handling of review proceedings and invalidation proceedings if an OGP system is adopted in Hong Kong, in particular they note that the level of skills required for handling of such proceedings is higher and they also require more manpower and other resources. ● Danny Chan suggests outsourcing the handling of office actions to local patent firms.
<p>5.5</p>	<p><u>Others</u></p>	<ul style="list-style-type: none"> ● APICC expresses its concern on the fact that the issue of the validity of a patent

Chapter 1 : Standard Patent System (64 submissions received)

5. Other suggestions / comments received.

	<ul style="list-style-type: none"> ● APICC 	<p>granted in Hong Kong under an OGP system in Mainland China has not been discussed in the Consultation Paper. It suggests that Hong Kong should move towards the direction of mutual recognition of substantially examined patents by China and Hong Kong through a mutual agreement between the two patent regimes or through CEPA.</p>
<p>5.6</p> <ul style="list-style-type: none"> ● <u>Individuals</u> ● Stanley ● Hui Wing Kin ● 龔春暉 ● Guy Chan 		<ul style="list-style-type: none"> ● Stanley opines that IPD should be more involved in acting as the intermediary between the inventors and patent registration organisations in other countries so as to assist the inventors in making applications to such organisations and to provide preliminary advice to inventors on their applications. ● Hui Wing Kin notes that there is a global trend to streamline examination process. Examples are the setting up of a single patent authority, EPO, and a single trademark authority, the Office of Harmonization of Internal Market, in Europe. He opines that introducing an OGP system in Hong Kong will create segmented markets between Hong Kong and China. ● 龔春暉 suggests signing agreement for mutual recognition of patents with other jurisdictions or regions. ● Guy Chan considers the most important thing is to enable recognition of Hong Kong patents by more countries (like European Union, North America and PRC) through mutual agreements or the like so that re-registration is not necessary. In addition, Hong Kong may set up a system to grant patents to inventors with regional restrictions if there are differences in patent laws.

Chapter 2 : Short-Term Patent System (50 submissions received)

6. What benefits does the short-term patent system bring to Hong Kong? Does it promote local innovations?

	Organisations / Individuals	Views / Concerns
6.1	<u>Industrial / Trade Associations</u> <ul style="list-style-type: none"> ● CMA ● FITMI ● HKGCC ● AmCham ● LESC-HK ● GS1 Hong Kong⁴⁷ 	<ul style="list-style-type: none"> ● CMA, FITMI, and HKGCC share the view that the short-term patent system offers a fast and inexpensive means of patent protection for simple inventions with a shorter commercial life span. ● AmCham opines that the short-term patent system provides a relatively fast and useful method for protecting inventions with a relatively short commercial life. ● LESC-HK agrees that the short-term patent system serves to increase the IP awareness of the community and that there will be, albeit limited, commercial need for the short-term patent system. However, LESC-HK is not convinced that the short-term patent system can promote local innovation. ● GS1 Hong Kong is of the view that the short-term patent system can promote local innovation, but the system must provide tougher safeguards to prevent abuse.
6.2	<u>Professional Bodies</u> <ul style="list-style-type: none"> ● HKITMP 	<p>All respondents in this group agree that the short-term patent system provides various benefits to Hong Kong applicants.</p> <ul style="list-style-type: none"> ● HKITMP agrees that the short-term patent system provides significant benefits to

⁴⁷ GS1 Hong Kong introduces itself as a not-for-profit, industry-led global supply chain standards organisation. It states that its submission is supported by (as at the date of its submission) : (1) Hon. Samson Tam (Legislative Councillor); (2) Hon. Sin Chung Kai (Former Legislative Councillor); (3) Mr. Charles Mok (Founding Chair, Internet Society Hong Kong); (4) Retail Technology Industry Association; (5) Hong Kong Wireless Technology Industry Association; (6) Communications Association of Hong Kong; (7) Million Tech Development Ltd; (8) Data-Pro Technology Ltd; (9) Megasoft Ltd; (10) Epcode Systems Ltd; (11) ID-Tech (Hong Kong) Ltd; and (12) Hong Kong Communications Co Ltd.

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6. What benefits does the short-term patent system bring to Hong Kong? Does it promote local innovations?

<ul style="list-style-type: none">● APAA● The Law Society	<p>Hong Kong applicants, and to a lesser extent, international applicants, and notes that such trend is consistent with similar lesser patent systems in other jurisdictions.</p> <ul style="list-style-type: none">● HKITMP is of the opinion that the short-term patent system has the following benefits:<ul style="list-style-type: none">(a) allows for early enforcement of patent rights;(b) may be utilised to establish priority for subsequent patent filings in foreign jurisdictions in a manner similar to provisional patent applications; and(c) the requirement of a search report before grant allows applicants to gain an early indication of potential patentability of their invention without the need to undergo substantive examination.● Apart from the benefits identified by HKITMP, APAA adds that the short-term patent system has the following benefits:<ul style="list-style-type: none">(a) the ease of establishing further priority dates for subsequent improvements to an invention throughout the Paris Convention period (i.e. 12 months from the earliest filing date) for technology that involves further improvements, advancements and experimental data developed after filing;(b) allows Hong Kong applicants to file patent applications directed towards their technologies which may be used defensively to counteract unfounded infringement allegations by third parties; and(c) the advantages offered by the short-term patent system will assist promotion of local innovation and help prevent a financial disincentive to the establishment
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		<p>of patent rights in Hong Kong before subsequent pursuit of patent rights in foreign jurisdictions.</p> <ul style="list-style-type: none"> ● The Law Society is of the view that the short-term patent system has the following benefits: <ul style="list-style-type: none"> (a) offers a quick registration procedure for those (usually simpler) inventions with no restriction on the subject matter (provided it is patentable) and the commercial life of which may not justify the time and cost to apply for a standard patent protection for 20 years; and (b) although the number of applications seems to have remained rather static, its relative popularity amongst Hong Kong businessmen (as compared to standard patents) suggests some incentive for local innovations.
6.3	<p><u>Political Parties / Groups</u></p> <ul style="list-style-type: none"> ● Economic Synergy 	<ul style="list-style-type: none"> ● Economic Synergy is of the opinion that the short-term patent system can let SMEs obtain patent protection for simple inventions with shorter commercial life at low costs.
6.4	<p><u>Academic Sector</u></p> <ul style="list-style-type: none"> ● Raymond Yiu ● Dr C W Tso ● Biochemistry Alumni Association, HKUST 	<ul style="list-style-type: none"> ● Raymond Yiu notes that the short-term patent system is pivotal for promoting incremental innovation according to international experience and would create a favourable environment for local innovation to prosper. ● Dr C W Tso considers the short-term patent system user-friendly, and it offers a fast and inexpensive means of protecting simple inventions with a limited life span in the market and encourages innovation.

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		<ul style="list-style-type: none"> • Biochemistry Alumni Association, HKUST is of the view that maintaining the short-term patent system can promote local innovations since it allows small firms to focus on their innovation projects with a “protection time” as they may have limited resources at the early stage of development.
6.5	<p><u>Legal Practitioners / Patent Practitioners</u></p> <ul style="list-style-type: none"> • QPA Group • King & Wood • Nigel Lee • Kam Wah Law • Sam Yip • Benny Kong • Anonymous respondent 	<ul style="list-style-type: none"> • QPA Group is of the view that the short-term patent system offers several advantages including: <ol style="list-style-type: none"> (a) early enforcement; (b) ease and cost-effectiveness of establishing priority; (c) defensive purposes; (d) customer confidence; and (e) can be used effectively as a “provisional patent application”. • QPA Group notes that they have not seen any evidence of widespread abuse of the short-term patent system in Hong Kong. • QPA Group believes that the reason why some Hong Kong patentees are surprised to discover that their Hong Kong short-term patents are invalid or unenforceable is due to such patentees not being correctly advised by qualified patent attorneys as to how the short-term patent system works. • King & Wood believes that the short-term patent system is useful for petty inventions which are protected by similar systems (grant without substantive

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		<p>examination) such as utility models or petty patent systems in other countries.</p> <ul style="list-style-type: none"> ● Nigel Lee thinks that the system is important to SMEs and individual inventors for a quick and non-expensive route to obtain a patent as well as priority right and would help nurture local innovation at their infant stage. ● Kam Wah Law believes the short-term patent system can promote local innovation, just as other countries with a utility model patent system believe that their systems promote local innovation. ● Sam Yip is of the view that the short-term patent system provides a fast and affordable system for protecting simple inventions or innovative products that have a short market lifespan. ● Benny Kong thinks the system fits the needs of most, if not all, SMEs. ● A respondent notes that the short-term patent system is useful for SMEs to obtain a quick filing date cost-effectively and is widely used by SMEs. It therefore does promote local innovations.
<p>6.6 <u>Others</u></p> <ul style="list-style-type: none"> ● HKPC 		<ul style="list-style-type: none"> ● HKPC notes that the short-term patent system provides a fast and relatively inexpensive way of registering a patent and is beneficial to protecting inventions with a short life cycle in the market. Also, Hong Kong short-term patents provide the privilege of claiming priority under the Paris Convention. The short-term patent system fits well to the fast business environment of Hong Kong and plays an important role in creation, commercialisation and enforcement of patent rights.

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6.7	<p><u>Individuals</u></p> <ul style="list-style-type: none">● Stanley● 黎錦新● Hui Wing Kin● Anonymous respondents	<ul style="list-style-type: none">● Stanley opines that short-term patent system helps promote local innovation and is suitable for simple inventions by individuals and small enterprises which are suitable for local use.● 黎錦新 believes that the short-term patent system can encourage local innovation.● Hui Wing Kin suggests abolishing the short-term patent system because of the low number of applications. Also, since the system provides an alternative route for inventors with fewer resources to obtain some form of patent protection, the applications are not prepared as professionally and it may not create the best protection for the inventive idea.● A respondent finds the possibility of making a local “first filing” cheaply before the applicant decides whether or not to file foreign patent applications to be a sure advantage and so the system probably has a modestly positive effect on local innovation.● A respondent is of the view that the low costs in getting a short-term patent better suit parties with small inventions and so can promote local innovation.
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7. Should we retain the current short-term patent system in its existing form, or should we introduce changes to the system? If the latter, what sort of changes should be introduced?		
	Organisations / Individuals	Views / Concerns
7.1	<u>Industrial / Trade Associations</u> <ul style="list-style-type: none"> ● CMA ● HKAPIA ● TMHK ● HKEIA ● HKMFS ● PVCHK ● FITMI ● FHKI ● AmCham ● HKGCC ● LESC-HK 	<ul style="list-style-type: none"> ● CMA supports the extension of the term of protection for short-term patents from eight to 10 years so as to offer better protection to patent owners. This will motivate SMEs in Hong Kong to invest more in R&D. This will also be in line with the practices of countries having a lesser patent system, such as Mainland China, Germany, Japan and Denmark. ● HKAPIA, TMHK, HKEIA, HKMFS and PVCHK all consider the current short-term patent system could be retained at this stage with a possible extension of the term of protection from eight to 10 years. But all object to the introduction of substantive examination of short-term patents. ● FITMI opines that the short-term patent system should be retained independently of the introduction of an OGP system. ● FHKI considers that there have not been many applications for short-term patents and no changes are necessary. The Government may consider expanding the period of validity of a short-term patent from eight years to 10 years. ● AmCham suggests introducing simplified court procedures to challenge the validity of short-term patents. Other changes proposed are:

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<ul style="list-style-type: none"> ● GS1 Hong Kong 	<ul style="list-style-type: none"> (a) extend the maximum term of protection to 10 years; and (b) impose no restriction on the number of claims. <p>On the other hand, AmCham also urges caution in making changes to the threshold of patentability for short-term patents.</p> <ul style="list-style-type: none"> ● HKGCC in principle supports substantive examination before commencement of infringement proceedings if the patent was granted on the basis of an “unclean” report. Either the patent owner or a third party should be able to request examination with the costs being borne by the requesting party. As regards the term of protection, the number of claims and the threshold of patentability, HKGCC suggests that the existing position of the system be maintained. ● LESC-HK is not convinced the short-term patent system promotes local innovation but agrees that the short-term patent system could be retained until the community is more sophisticated in IP protection. It suggests extending the validity of short-term patents from eight to 10 years. It also recommends that more education to be provided to the community on the enforceability of a short-term patent if short-term patent system is to be maintained. ● GS1 Hong Kong suggests introducing the following changes to the short-term patent system: <ul style="list-style-type: none"> (a) if the short-term patent is granted on the basis of an “unclean” search report, the patentee should not be permitted to enforce the patent by any legal action unless and until (i) the patentee is able to amend the patent with the support of
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		<p>a clean search report, or (ii) the patentee initiates the substantive examination and satisfies the examiner;</p> <p>(b) strengthen the “groundless threat” provision so that if a patent owner threatens someone on the strength of a short-term patent granted on the basis of an “unclean” search report without first amending the patent claims and providing a clean search report, it will be considered as an unjustified threat; and</p> <p>(c) require the search report in support of a short-term patent application be compiled within one year before or after the application is filed.</p>
<p>7.2 <u>Professional Bodies</u></p> <ul style="list-style-type: none"> ● HKIPA ● HIPP ● HKITMP ● APAA ● The Law Society 		<ul style="list-style-type: none"> ● HKIPA considers the short-term patent system could be retained at the current stage but the term of protection may be extended from eight to 10 years. HKIPA objects to the introduction of substantive examination of short-term patents. ● HIPP supports the retention of the short-term patent system but proposes the following changes: <ul style="list-style-type: none"> (a) substantive examination of a short-term patent needs to be carried out before commencement of the infringement proceedings at the costs of the patentee. Claims rejected in the substantive examination could not form the basis of the infringement proceedings; (b) a total of 10 claims (whether independent or dependent claims) should be allowed in each application and additional claims should be allowed upon payment of excess claim fees; and

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	<p>(c) the patentability standard of short-term patents should be clarified by issue of examination guidelines.</p> <ul style="list-style-type: none"> ● HKITMP proposes the following changes: <ul style="list-style-type: none"> (a) substantive examination before enforcement and not before grant; (b) clarification of liability for the issuance of groundless threats in relation to short-term patents; (c) extend the maximum term of protection to 10 years; and (d) increase the maximum number of independent claims to three and restrict the maximum number of claims to 20 to accommodate apparatus, system and method claims. <p>Additionally, HKITMP does not consider it necessary to modify the threshold of patentability of short-term patents.</p> <ul style="list-style-type: none"> ● APAA is of the view that refinement of the short-term patent system as well as further promotion and public awareness of the benefits of the system are appropriate in order to stimulate further use of the system and to mitigate the likelihood for abuse. ● APAA does not support the introduction of substantive examination for grant of short-term patents or lowering the threshold of patentability. APAA proposes the following changes: <ul style="list-style-type: none"> (a) requiring substantive examination prior to commencement of legal
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	<p>proceedings while maintaining the requirement of obtaining a search report from one of the designated patent offices or ISAs;</p> <ul style="list-style-type: none"> (b) tightening up of the “groundless threats” provisions, particularly in relation to patents which have not been examined; (c) extending the maximum term of protection to 10 years; and (d) extending the maximum number of independent claims to three and dependent claims to 22. <ul style="list-style-type: none"> • The Law Society recommends retaining the short-term patent system with the following proposed changes: <ul style="list-style-type: none"> (a) disclosure of the short-term patent search report can be made compulsory and be served upon the defendant at the time of commencement of infringement proceedings; (b) the defendant may request for substantive examination of a short-term patent or the patent owner may on his own volition elect to do so if the validity of a short-term patent is in issue, with costs of substantive examination to be borne by the defendant if it is found to be valid irrespective of whether the defendant is found to have infringed the short-term patent as alleged, so that validity of the patent will not be challenged as a matter of course; (c) extend the maximum term of protection to 10 years; and (d) extend the maximum number of independent claims (recommends conducting
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		<p>a survey to ascertain the average number of independent claims in a standard patent in Hong Kong and consider the feasibility of using the average number or a lesser number as the limit for a short-term patent).</p>
<p>7.3</p>	<p><u>Political Parties / Groups</u></p> <ul style="list-style-type: none"> ● DAB ● Economic Synergy 	<ul style="list-style-type: none"> ● DAB considers the short-term patent system could be retained at the current stage but the term of protection may be extended from eight to 10 years. DAB objects to the introduction of substantive examination of short-term patents. ● Economic Synergy considers the short-term patent system could be retained at the current stage and suggests extending the maximum term of protection to 10 years without introducing substantive examination.
<p>7.4</p>	<p><u>Academic Sector</u></p> <ul style="list-style-type: none"> ● Raymond Yiu ● Dr C W Tso ● Biochemistry Alumni Association, HKUST 	<ul style="list-style-type: none"> ● Raymond Yiu supports the retention of the short-term patent system but suggests the term of protection under the said system be extended to 10 years. ● Dr C W Tso supports retaining the short-term patent system but with refinements: <ul style="list-style-type: none"> (a) the Hong Kong Patents Registry be empowered to conduct, if deemed necessary, search or substantive examination, either before or after grant of a short-term patent, upon request by an applicant for the grant of a patent, a patent owner or a third party (with the party requesting examination to bear the costs but the third party so requesting should be reimbursed by the patent owner if the patent is found to be non-patentable) but substantive examination should not be a mandatory requirement for commencement of infringement proceedings;

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		<ul style="list-style-type: none"> (b) extend the maximum term of protection to 10 years to give the patent owner extra time to market and realise commercial gain from the invention; and (c) the number of independent claims be capped at five. • Biochemistry Alumni Association, HKUST considers the following changes to the short-term patent system should be made: <ul style="list-style-type: none"> (a) substantive examination can be done in the second year of the patent effective period; it would serve as a condition for commencement of infringement proceedings and the patent owners are recommended to apply for the examination; (b) allow unlimited claims but charge more for patent applications exceeding 10 claims; (c) the patentability threshold should be lowered to encourage co-operation of the academia with the industries; and (d) more intangible innovation, including arts and music, may be included in the short-term patent system.
<p>7.5</p> <ul style="list-style-type: none"> • <u>Legal Practitioners / Patent Practitioners</u> • Richard R. Halstead • QPA Group 		<p>All respondents in this group support retaining the current short-term patent system. Some suggest maintaining the current short-term patent system in its existing form. Others suggest changes.</p> <p><u>Specific views</u></p>

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<ul style="list-style-type: none"> ● King & Wood ● Song & Chan ● Danny Chan ● Nigel Lee ● Kam Wah Law ● Kenneth Yip ● Sam Yip ● Benny Kong ● Anonymous respondent 	<ul style="list-style-type: none"> ● Richard R. Halstead believes that there is confusion as to the use of short-term patents. He considers short-term patents should only be so named if “simple inventions” with a lower threshold of patentability are protected; if, on the contrary, short-term patents are intended to cover all inventions without substantive examination, great care should be taken to prevent any abuse of the system. ● QPA Group proposes the following changes: <ul style="list-style-type: none"> (a) introduce the requirements to obtain a “technical opinion” prior to enforcement of a short-term patent and the option to invoke “groundless threat” provision if the patent is asserted without such an opinion; (b) extend the maximum term of protection to 10 years; and (c) relax the restriction on the maximum number of independent claims to three or five and impose a restriction on the total number of claims to no more than 25 or 30. ● King & Wood and Kenneth Yip think that the short-term patent system should be maintained. ● Song & Chan suggest the following modifications to the short-term patent system: <ul style="list-style-type: none"> (a) require a search on novelty to be conducted; (b) relax the restriction on the number of independent claims; and (c) increase the maximum term of protection to 10 years.
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- Song & Chan also opine that (a) the threshold of patentability for short-term patents should not be lowered; and (b) introducing substantive examination mechanism into the short-term patent system will render it similar to a standard patent system.
- Danny Chan suggests simplifying the procedure for revocation of short-term patent registrations to avoid abuse of the system through registration of non-patentable inventions.
- Nigel Lee supports the extension of the term of protection to 10 years on ground that the system can then align with the PRC utility model, which in his view has a similar nature as the short-term patent. He also objects to the introduction of (a) substantive examination; and (b) a different threshold of patentability for short-term patents. In addition, he suggests that if an OGP system is set up, there should be a mechanism to allow a patent applicant to convert a short-term patent to an OGP patent to pursue a longer term of 20 years.
- Kam Wah Law has no views on whether the term of protection should be extended and whether the restriction on the number of claims should be relaxed. He does not think that substantive examination should be imposed. Rather, he expects IPD to have examiners after the introduction of an OGP system and he suggests that the revocation or invalidation proceedings relating to short-term patents be dealt with by IPD which would be much cheaper and easier. He considers the question about lowering the threshold of patentability to have been mis-phrased since there is no substantive examination of patentability, the question to be asked should, in his view, be whether the threshold should be raised.
- Sam Yip reckons that the limitation of only one independent claim should be

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		<p>maintained since the claimed scope of the invention in a short-term patent should be clear and easily ascertained.</p> <ul style="list-style-type: none"> ● Benny Kong does not recommend any change as any change will just render it more akin to the OGP system. ● A respondent supports the retention of the short-term patent system but proposes that the term of protection should be extended to 10 years and that the total number of claims allowed in each application should be increased to between 15 and 20. He further proposes that the same patentability standard should be used for both standard and short-term patents and that the Government should consider examination or compulsory response/amendment to search reports with “X” or “Y” category documents indicated in the search report.
<p>7.6</p> <p><u>Others</u></p> <ul style="list-style-type: none"> ● HKPC ● APICC 		<ul style="list-style-type: none"> ● HKPC supports the retention of the current short-term patent system. Whilst HKPC proposes not to lower the threshold of patentability of short-term patents, the following changes to the system are recommended: <ul style="list-style-type: none"> (a) substantive examination should only be carried out if it is requested by the patent owner or the third party directly affected by the abuses of the short-term patent. Substantive examination should be a condition for commencement of infringement proceedings. The principle of “user pays” or “beneficiary pays” should be strictly followed in considering who should bear the costs of substantive examination; (b) the term of protection should be extended to 10 years for it to be in line with

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		<p>the utility model patents granted by China, Japan, Republic of Korea and other jurisdictions; and</p> <p>(c) restriction on the number of claims allowed in each patent application should be relaxed but the applicants should be charged an additional fee proportional to the number of additional claims in each patent application so as to ensure that the claims are really necessary and can serve a useful purpose.</p> <ul style="list-style-type: none"> ● Whilst APICC considers that discontinuation of the short-term patent system is an option, it suggests that if the system (which does not involve substantive examination) is maintained, it could be outsourced to professional or trade associations, and IPD can focus on building up the capacity and the work processes relating to fully-examined patents.
<p>7.7</p> <p><u>Individuals</u></p> <ul style="list-style-type: none"> ● Stanley ● Tom Lam ● Eric Yung ● 黎錦新 ● 龔春暉 ● Hui Wing Kin 		<ul style="list-style-type: none"> ● Stanley suggests that optional substantive examination for short-term patents should be introduced, which can be carried out after the short-term patent is granted. Substantive examination should be a condition for commencement of infringement proceedings. Only the patent owner should have the right to request for substantive examination and the costs incurred in substantive examination of the patent should be borne by the patent owner. The current term of protection for short-term patent should be extended to 10 years. Restriction in the number of claims is necessary to prevent abuse of the system, but to encourage innovation, the maximum number of claims can be increased to two or three, and this can be further adjusted in future. ● Tom Lam suggests that short-term patent system should be retained but options for

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<ul style="list-style-type: none"> ● 周耀榮 ● 林斌典 ● 王仁平 ● Anonymous respondents 	<p>shorter term of protection (with lower fees), for example, a term of three years, should be made available.</p> <ul style="list-style-type: none"> ● Eric Yung is of the view that introducing a mechanism for substantive examination of short-term patents can deter abuse of the system and increase demand for the substantive examination arrangement established for the OGP system. ● 黎錦新 suggests introducing an option for local substantive examination of short-term patents to avoid being overcharged by patent agents. He also suggests providing an option to extend the maximum term of protection for inventions with longer commercial life and to accept applications filed in Chinese only without the need to have English translation for the title and abstract of the inventions. ● 龔春暉 recommends strengthening the system and to limit its restrictions to encourage local innovation. ● Hui Wing Kin proposes introducing a mandatory requirement for substantive examination to be conducted before commencement of enforcement. Costs of the substantive examination should be borne by the patent owner if he wants to commence an infringement action against a third party; whereas costs of the substantive examination should be borne by a third party if he wants to commence a revocation proceeding against the short-term patent registration. He also objects to the extension of the term of protection if substantive examination is not done before grant. ● 周耀榮 suggests the extension of the re-registration system to short-term patents and the term of protection is to expire at the same time as the utility model granted
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	<p>in the designated patent office expires.</p> <ul style="list-style-type: none"> ● 林斌典 is of the view that the term of protection should be 14 years or at least 12 years. ● 王仁平 supports the introduction of substantive examination to eliminate uncertainty, with the costs for the examination to be paid by the applicants but assistance should be provided by the Government to parties with financial constraints. ● A respondent thinks that it is not necessary to change the current short-term patent system. ● A respondent suggests that substantive examinations for short-term patents should be introduced and should be carried out after the grant of the short-term patents but before the commencement of legal proceedings. Substantive examinations should also be a condition for commencement of infringement proceedings and the costs of substantive examinations should be borne by the losing party and the patent office. The following changes should also be introduced to the short-term patent system: <ul style="list-style-type: none"> (a) extend the term of protection to 10 years; (b) increase the maximum number of claims allowed in each patent application to three; (c) revise the patentability criteria of short-term patents by removing the requirement of “susceptibility of industrial application”; and
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- (d) rename short-term patent as “utility patent” so as to be consistent with Macao and avoid confusion to foreigners.
 - A respondent suggests a number of changes:
 - (a) substantive examination can either be an option or made compulsory after one year, and it should be made a condition for commencement of infringement proceedings with the patent owner bearing the costs;
 - (b) the term of protection be extended to 20 years with substantive examination; and
 - (c) extension of the number of claims to a maximum of 20 claims and a maximum of three independent claims with no restriction on claim dependencies.
- He does not consider a change in the threshold of patentability to be advisable for fear of uncertainty.
- A respondent thinks that substantive examination should not be made mandatory but be imposed selectively and when the short-term patent is considered to have infringed the patent of another person. Substantive examination should then be a condition for commencement of the infringement proceedings. The costs for substantive examination should be borne by the owner of the short-term patent if there is found to be infringement, or the party suing for infringement if there is found to be no infringement on the part of the short-term patent owner. Other changes proposed by the respondent are the extension of the term of protection to 10 years and the relaxation of the maximum number of claims to five. The respondent

Chapter 2 : Short-Term Patent System (50 submissions received)

7. Should we retain the current short-term patent system in its existing form, or should we introduce changes to the system? If the latter, what sort of changes should be introduced?

does not think that the threshold of patentability should be varied.

Chapter 2 : Short-Term Patent System (50 submissions received)		
8. Should we discontinue the short-term patent system altogether?		
	Organisations / Individuals	Views / Concerns
8.1	<u>Industrial / Trade Associations</u> <ul style="list-style-type: none"> ● HKGCC ● LESC-HK ● GS1 Hong Kong 	<p>None of the industrial/trade associations that responded indicate that the short-term patent system should be discontinued.</p> <p><u>Specific views</u></p> <ul style="list-style-type: none"> ● HKGCC considers that the final answer depends on the changes to be introduced to the patent system as a whole. ● LESC-HK supports the continuation of the short-term patent system until such time when the community is more sophisticated in IP protection. ● GS1 Hong Kong is of the view that the short-term patent system should not be discontinued.
8.2	<u>Professional Bodies</u> <ul style="list-style-type: none"> ● HKITMP ● APAA ● The Law Society 	<ul style="list-style-type: none"> ● HKITMP, APAA and the Law Society believe that the short-term patent system should not be discontinued. ● The Law Society notes that some have suggested that the short-term patent system should be abolished as it has been abused by the registrations of questionable inventions which may not stand any challenge at trial, and that rights conferred by short-term patents are uncertain as the applications have not been examined on merits. The Law Society is of the view that the extent of abuse may be

Chapter 2 : Short-Term Patent System (50 submissions received)

8. Should we discontinue the short-term patent system altogether?

		<p>exaggerated, pointing to the few number of incidents of successful revocation of short-term patents on patentability ground. It opines that it is a question of whether the applicant and eventual owner are properly advised and understand what to expect from a short-term patent registration and therefore the requirement to prove validity when it is relied upon at trial to secure a finding of infringement.</p>
8.3	<p><u>Academic Sector</u></p> <ul style="list-style-type: none"> Biochemistry Alumni Association, HKUST 	<ul style="list-style-type: none"> Biochemistry Alumni Association, HKUST is of the view that the short-term patent system should be maintained and aligned with the changes to the standard patent system.
8.4	<p><u>Legal Practitioners / Patent Practitioners</u></p> <ul style="list-style-type: none"> QPA Group Nigel Lee Kam Wah Law China Intellectual Property (H.K.) Limited Anonymous respondent 	<ul style="list-style-type: none"> A respondent opposes the discontinuation of the short-term patent system. QPA Group is of the view that the short-term patent system should not be discontinued. Nigel Lee opines that the short-term patent system has a unique position and value in the whole Hong Kong patent system and should not be discontinued. Kam Wah Law opposes the discontinuation of the short-term patent system (but considers amendments are required) and comments that the short-term patent system provides a cheaper and easier alternative to the OGP system. China Intellectual Property (H.K.) Limited supports discontinuing the short-term patent system.
8.5	<p><u>Others</u></p>	<ul style="list-style-type: none"> HKPC supports the continuation of the short-term patent system.

Chapter 2 : Short-Term Patent System (50 submissions received)

8. Should we discontinue the short-term patent system altogether?

	<ul style="list-style-type: none"> ● HKPC ● APICC ● Universal Display Corporation Hong Kong, Ltd. 	<ul style="list-style-type: none"> ● APICC considers discontinuation of the short-term patent system could be an option for the reason that confusion will be caused if there are too many types of patents. ● Universal Display Corporation Hong Kong, Ltd. does not support the discontinuation of the short-term patent system.
8.6	<p><u>Individuals</u></p> <ul style="list-style-type: none"> ● Stanley ● Tom Lam ● Hui Wing Kin ● Anonymous respondents 	<ul style="list-style-type: none"> ● Stanley does not support the discontinuation of the short-term patent system. ● Tom Lam opines that the short-term patent system should be retained. ● Hui Wing Kin supports abolishing the short-term patent system as he is of the view that the system is not widely used in Hong Kong and there is no benefit in hastily putting out an application for a short-term patent. ● A respondent is of the view that the system is essential to allow local companies to make a convenient first filing. ● A respondent supports the continuation of the short-term patent system to cater for products with a shorter commercial life. ● Two other respondents indicate their views that the short-term patent system should be maintained.

Chapter 2 : Short-Term Patent System (50 submissions received)		
9. Other suggestions / comments received.		
	Organisations / Individuals	Views / Concerns
9.1	<u>Industrial / Trade Associations</u> <ul style="list-style-type: none"> ● HKAPIA ● TMHK ● HKEIA ● HKMFS ● PVCHK 	<ul style="list-style-type: none"> ● HKAPIA, TMHK, HKEIA, HKMFS and PVCHK propose that mechanisms to revoke or invalidate patents other than court proceedings should be set up together with an OGP system. With the revocation or invalidation procedures set up on the basis of an OGP system, the public or related parties can have an efficient and economical way to object to the grant of a patent without the need to resort to court proceedings. This will deter abuse (especially in respect of short-term patents), protect third parties' rights, enhance patent stability and reduce the costs of litigation.
9.2	<u>Professional Bodies</u> <ul style="list-style-type: none"> ● HKIPA ● The Law Society 	<ul style="list-style-type: none"> ● HKIPA proposes that mechanisms to revoke or invalidate patents other than court proceedings should be set up together with an OGP system. With the revocation or invalidation procedures set up on the basis of an OGP system, the public or related parties can have an efficient and economical way to object to the grant of a patent without the need to resort to court proceedings. This will deter abuse (especially in respect of short-term patents), protect third parties' rights, enhance patent stability and reduce the costs of litigation. ● The Law Society refers to the views in Ms. Ip's Letter that short-term patents lack effect in litigation and that it is extremely difficult for such owners to obtain interlocutory injunctions against infringing activities unless the defendant gives in.

Chapter 2 : Short-Term Patent System (50 submissions received)

9. Other suggestions / comments received.

		<p>The Law Society, however, considers that whilst it is an additional requirement that before any court enforcement action, a short-term patent owner must first establish the validity of his patent, the law and practice governing the grant of interlocutory injunction is the same. Further, the law provides that evidence by the owner which is sufficient to establish prima facie the validity of the short-term patent shall in the absence of evidence to the contrary be sufficient proof of such validity. Accordingly, the Law Society is of the view that there is no basis to say that it is extremely difficult for short-term patent owners to obtain interlocutory injunctions against infringing activities.</p>
<p>9.3</p>	<p><u>Legal Practitioners / Patent Practitioners</u></p> <ul style="list-style-type: none"> ● Song & Chan ● Sam Yip 	<ul style="list-style-type: none"> ● Song & Chan recommend aligning the short-term patent system with the utility model system in China. ● Sam Yip advocates for the removal of the requirement for obtaining a search report which he considers to be of no practical use as it is not determinative of the validity of the short-term patent.

Chapter 3 : Regulation of Patent Agency Services in Hong Kong (55 submissions received)

10. Should Hong Kong have a regulatory regime for professionals providing patent agency services? Should the promulgation of a regulatory regime or otherwise be made dependent on whether an OGP system is to be implemented in Hong Kong?

	Organisations / Individuals	Views / Concerns
10.1	<p><u>Industrial / Trade Associations</u></p> <ul style="list-style-type: none"> ● CMA ● HKAPIA ● TMHK ● HKEIA ● HKMFS ● PVCHK ● FITMI ● FHKI ● AmCham ● HKGCC ● HKAPI ● LESC-HK 	<ul style="list-style-type: none"> ● CMA considers that the standard of the services provided by patent agents in Hong Kong should be raised to correspond with the implementation of an OGP system. Depending on future needs, the Government should consider whether a government-led licensing system for regulating the providers of patent agency services has to be established. ● HKAPIA, TMHK, HKEIA, HKMFS and PVCHK suggest that the Government should promulgate a regulatory regime for providers of patent agency services in Hong Kong. ● FITMI notes that a regulatory regime will protect patent owners and enterprises and will improve the quality of patent agency services. Without a regulatory regime for patent agents, any person could use the title of patent agent and could provide patent agency services such that the rights of inventors and enterprises will not be protected, in particular in the following scenarios: <ul style="list-style-type: none"> (a) where there is a conflict of interests; (b) disclosure of confidential information relating to the patent deliberately or inadvertently; (c) lack of knowledge about “priority”, “patent laws” and “drafting of patent specification”, etc.; and

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10. Should Hong Kong have a regulatory regime for professionals providing patent agency services? Should the promulgation of a regulatory regime or otherwise be made dependent on whether an OGP system is to be implemented in Hong Kong?

- (d) misconduct on the part of patent agents.
- FHKI comments that the quality of patent agency services in Hong Kong varies and it supports the regulation of patent agency services to ensure it could meet international standard and attract talents into the industry.
 - AmCham believes that the Government should encourage the development, and provide regulatory oversight, of a high-quality local patent agency profession. Having professionals knowledgeable and experienced in IP matters will help Hong Kong become a hub for commercialising, financing and trading IP.
 - AmCham opines that a patent profession will provide another career path for Hong Kong graduates in science and engineering.
 - HKGCC sees a need to introduce a regulatory regime only if an OGP system is to be introduced, as otherwise the existing system provides for choices and flexibility in the selection of professionals. Since the primary function of patent professionals is to serve the system, the actual shape of the system should be determined prior to providing suggestions to whether and, if so, how the patent professionals are to be regulated.
 - HKAPI considers that it is beneficial to have a body of well-trained local patent agents accredited and regulated by a government body to ensure the delivery of consistent and quality patent-related services. It believes that such a regulatory system can provide a further career path for graduates in science and technology from universities and colleges in Hong Kong.

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10. Should Hong Kong have a regulatory regime for professionals providing patent agency services? Should the promulgation of a regulatory regime or otherwise be made dependent on whether an OGP system is to be implemented in Hong Kong?

		<ul style="list-style-type: none"> • LESC-HK opines that the promulgation of the regulatory regime should be independent of whether an OGP system is to be implemented in Hong Kong. This is because a patent applicant would very much rely on the expertise of the patent attorney/agent to ensure his patent application is properly drafted and professional and knowledgeable expertise would be provided on patent filing strategy.
<p>10.2 <u>Professional Bodies</u></p> <ul style="list-style-type: none"> • HKIPA • HIPP • HKITMP • APAA • The Law Society 		<ul style="list-style-type: none"> • HKIPA supports the promulgation of a regulatory regime for providers of patent agency services. • HIPP supports the promulgation of a regulatory regime for patent practitioners and patent agency services in order to ensure that proprietary information of inventors is protected and a reliable standard of patent agency services is maintained. • HKITMP is of the view that introduction of a regulatory regime for patent practitioners should not be considered dependent upon the introduction of an OGP system in Hong Kong. • HKITMP emphasises that if a regulatory regime for patent practitioners is to be set up, any such regulation should be “light touch regulation”. • APAA considers that some form of regulation of those providing services as patent agents and/or patent attorneys is required, irrespective of whether or not an OGP system is introduced in Hong Kong, but the nature and extent of the regulation will depend in part on whether there is an OGP system. • The Law Society points out that titles such as “patent attorneys” and “patent agents” are largely understood by the international community as protected titles with

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10. Should Hong Kong have a regulatory regime for professionals providing patent agency services? Should the promulgation of a regulatory regime or otherwise be made dependent on whether an OGP system is to be implemented in Hong Kong?

		<p>special meanings; and supports a regulatory regime and the corresponding recognition of such titles, whether or not an OGP system is to be implemented in Hong Kong.</p>
<p>10.3</p> <p><u>Political Parties / Groups</u></p> <ul style="list-style-type: none"> ● DAB ● Economic Synergy ● New People’s Party 		<ul style="list-style-type: none"> ● DAB opines that a regulatory regime should be implemented as soon as possible so that the quality of services provided by patent agents could be assured and consumers’ rights could be protected. This may also promote the growth of the industry of patent agency services and benefit patent applicants and may then promote innovation in Hong Kong. ● Economic Synergy is of the view that if an OGP system is implemented in Hong Kong, a registration system for providers of patent agency services will need to be set up in Hong Kong. ● Economic Synergy lists out a number of incidents which reflect the weaknesses of not regulating patent agents in Hong Kong: <ul style="list-style-type: none"> (a) a patent agent taking over his client’s invention and applying for patent protection in his own name; (b) potential conflict of interest when a patent agent acts for two competing companies; and (c) filing patent applications in Hong Kong by foreign companies without engaging a local patent agent. ● New People’s Party recommends the strengthening of training of patent personnel in

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10. Should Hong Kong have a regulatory regime for professionals providing patent agency services? Should the promulgation of a regulatory regime or otherwise be made dependent on whether an OGP system is to be implemented in Hong Kong?

		addition to the regulation of patent agents and lawyers.
10.4	<p><u>Academic Sector</u></p> <ul style="list-style-type: none"> ● Dr C W Tso ● Biochemistry Alumni Association, HKUST 	<ul style="list-style-type: none"> ● Dr C W Tso notes that an unregulated patent profession does not assure the standard and quality of the services and considers it of paramount importance to have a regulatory regime for providers of patent agency services established in Hong Kong in order to ensure that the patent system's future positioning is in alignment with the vision to develop Hong Kong into a regional innovation and technology hub. ● Dr C W Tso agrees that with an OGP system being introduced in Hong Kong, a regulatory regime will help build a local patent profession and create more job opportunities for local graduates with science, engineering and other technical background. ● Biochemistry Alumni Association, HKUST is of the view that Hong Kong has its own environment to become an IP exchange hub and the regulation on the provision of agency services should be independent of whether an OGP system will be employed.
10.5	<p><u>Legal Practitioners / Patent Practitioners</u></p> <ul style="list-style-type: none"> ● Richard R. Halstead ● Chris Murray ● QPA Group 	<ul style="list-style-type: none"> ● Richard R. Halstead is of the view that to ensure that Hong Kong becomes a hub for innovation, it is important for inventors to know who they are dealing with, and whether they are professionally qualified to draft and prosecute patent applications. ● Chris Murray opposes the regulation of patent agency services. He considers that, while a list of current service providers may be helpful, costs for good regulation of patent services will have to be passed onto customers. He is not convinced that regulation will guarantee improvement of service standard and he believes

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10. Should Hong Kong have a regulatory regime for professionals providing patent agency services? Should the promulgation of a regulatory regime or otherwise be made dependent on whether an OGP system is to be implemented in Hong Kong?

<ul style="list-style-type: none"> ● Song & Chan ● Danny Chan ● Nigel Lee ● Kam Wah Law ● Kenneth Yip ● China Intellectual Property (H.K.) Limited ● Benny Kong ● Anonymous respondents 	<p>over-regulation will drive customers away to cheaper jurisdictions.</p> <ul style="list-style-type: none"> ● QPA Group agrees that Hong Kong should have a regulatory regime for professionals providing patent agency services irrespective of whether or not an OGP system is introduced in Hong Kong. ● QPA Group considers it to be of paramount importance that should a regulatory regime be introduced, the standard in respect of substantive patent agency services is first world class, in keeping with Hong Kong’s world class legal system and the body of authoritative cases which underpins the Hong Kong patent law and system. The regulatory regime should be supported by patent practitioners who have: <ul style="list-style-type: none"> (a) obtained professional tertiary technical qualifications enabling practitioners to appropriately handle complex technologies; (b) had substantial professional training and experience in substantive patent matters over several years; and (c) passed stringent written patent drafting examinations (it considers multiple choice must not be adopted as a mode of these examinations). <p>In their view, no regulation is a preferable option to poor, ambiguous or sub-standard regulation.</p> <ul style="list-style-type: none"> ● Song & Chan indicate their support for a regulatory regime. ● Danny Chan suggests that patent agent registration should be compulsory. He
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10. Should Hong Kong have a regulatory regime for professionals providing patent agency services? Should the promulgation of a regulatory regime or otherwise be made dependent on whether an OGP system is to be implemented in Hong Kong?

considers a Hong Kong patent agent is required to draft patent specification as well as advising clients on patent law. He suggests that a Hong Kong patent agent should be required to have science or engineering qualifications with a law degree at a common law jurisdiction.

- Nigel Lee believes that a regulatory regime can prevent the public from being misled by the use of titles like “patent attorney” and “patent agent” by non-qualified persons, who provide poor patent services which may jeopardise the patent rights.
- Kam Wah Law thinks that Hong Kong should have a regulatory regime and regulation of patent agency services should be independent of whether an OGP system is to be implemented in Hong Kong.
- Kenneth Yip thinks that a qualification system can assist users in the selection of patent professional service providers. The qualified patent agents should have proper technical education and training of patent procedures.
- China Intellectual Property (H.K.) Limited is concerned about regulating the provision of patent agency services when the outcome of the patent system review is still uncertain.
- Benny Kong and a respondent think that a regulatory regime is needed irrespective of whether an OGP system is implemented.
- A respondent stresses the long time required to train up suitable qualified persons to be patent agents and its need is independent of whether Hong Kong will have an OGP system. The assurance of the quality of the practitioners that can be afforded

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10. Should Hong Kong have a regulatory regime for professionals providing patent agency services? Should the promulgation of a regulatory regime or otherwise be made dependent on whether an OGP system is to be implemented in Hong Kong?

10.6	<p><u>Others</u></p> <ul style="list-style-type: none"> ● HKPC ● APICC ● Blue Ocean Strategy Consulting/Art Group Limited 	<p>by a regulatory regime is also an advantage he has referred to.</p> <ul style="list-style-type: none"> ● HKPC supports the setting up of a regulatory regime for professionals providing patent agency services in patent applications or related proceedings so as to ensure that patent applicants will obtain professional services from qualified professionals and to help users identify such qualified professionals. HKPC opines that the establishment of a regulatory regime and of the OGP system should be considered separately. ● APICC supports the regulation of patent agents, but considers that the right to grant licences should not be given exclusively to a single professional or trade association, instead, a minimum of four to five trade and professional bodies should be given the right to do so to ensure that a fair, open and cost-effective licensing system is maintained. ● Blue Ocean Strategy Consulting/Art Group Limited takes the view that although the development of the expertise, technical database, knowledge and administrative system in patent examination will take time, the regime of such developments and regulation of patent agency business will create new job opportunities for local talents and enhance the value creation and innovation mentality in Hong Kong, as well as create a greater opportunity for knowledge sharing amongst patent agents, academics, scientists, engineering profession and other experts in Hong Kong.
10.7	<p><u>Individuals</u></p>	<ul style="list-style-type: none"> ● Stanley opines that the promulgation of a regulatory regime for patent agents should be dependent on whether an OGP system is to be implemented in Hong Kong. If

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10. Should Hong Kong have a regulatory regime for professionals providing patent agency services? Should the promulgation of a regulatory regime or otherwise be made dependent on whether an OGP system is to be implemented in Hong Kong?

<ul style="list-style-type: none"> ● Stanley ● Tom Lam ● Eric Yung ● 龔春暉 ● Hui Wing Kin ● 周耀榮 ● 王仁平 ● Anonymous respondents 	<p>an OGP system is to be implemented, a regulatory regime of patent agents should be introduced.</p> <ul style="list-style-type: none"> ● Tom Lam opposes the introduction of a regulatory regime for professionals providing patent agency services. ● Eric Yung and another respondent support the promulgation of a regulatory regime for professionals providing patent agency services. ● 龔春暉 opposes promulgation of a regulatory regime for professionals providing patent agency services in Hong Kong as she thinks the market is small and so it will be difficult to have an efficient regulatory system. Also, it may result in a monopoly and drive up the service fees charged by patent agents. ● 龔春暉 comments that a regulatory regime should only be introduced after an OGP system is established in Hong Kong. ● Hui Wing Kin considers it unnecessary to establish a regulatory regime for providers of patent agency services in Hong Kong if the current re-registration system is maintained, since the process in getting a patent registered in Hong Kong is strictly procedural and does not require a professional to prepare the documents for patent application. ● Hui Wing Kin opines that a regulatory system will only lead to an increase in job opportunities if an OGP system is established in Hong Kong. In addition, he does not think that it is logical to create jobs for patent professionals at the expense of increasing the costs of innovation in Hong Kong.
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10. Should Hong Kong have a regulatory regime for professionals providing patent agency services? Should the promulgation of a regulatory regime or otherwise be made dependent on whether an OGP system is to be implemented in Hong Kong?

- 周耀榮 thinks that the use of title of “patent agent” should be restricted to firms that have in their employ registered patent agents, and separate qualifications requirements and registration systems for patent agents, patent administrative managers and patent agent brokers should be set up. Apart from prescribed qualifications, the registered parties should be regulated by codes of conduct and should be required to attend continuing education programmes with penalties for violation.
- 王仁平 believes the regulation of patent agency services will afford capability and creditability to the profession as well as increase efficiency.
- A respondent does not think the introduction of a regulatory regime has to be dependent on an OGP system.
- A respondent thinks that patent agency services should be regulated if Hong Kong is to have an OGP system.
- A respondent opposes the introduction of a regulatory regime for professionals providing patent agency services because the market or customers can deal with the complaints or negligence of patent agents by reasonable means or the customers can resolve the matter by litigation to claim for loss and damages.

Chapter 3 : Regulation of Patent Agency Services in Hong Kong (55 submissions received)	
11. If a regulatory regime is to be introduced for providers of patent agency services, should we restrict the provision of such services to persons meeting certain qualifications or requirements only? Or should we limit the use of particular titles only but allow the provision of such services by any person?	
	Views / Concerns
Organisations / Individuals	
<p>11.1 <u>Industrial / Trade Associations</u></p> <ul style="list-style-type: none"> ● AmCham ● HKGCC ● HKAPI ● LESC-HK 	<ul style="list-style-type: none"> ● AmCham is of the view that persons entering the patent agent profession should undergo proper training, examination and accreditation to ensure provision of high-quality service. ● HKGCC considers that the shape of the patent system should be determined prior to providing suggestions and answers as to whether and, if so, how, the patent professionals are to be regulated. HKGCC suggests that if the goal of a registration system is to ensure a minimum level of competency for practice, then the use of particular titles should be limited to those meeting the registration qualifications. ● HKAPI opines that the patent agency profession should be regulated by a government-run scheme which should ensure that properly educated and accredited staff, equipped with the necessary technical training, is employed to uphold the general public and industry's confidence in the patent system. ● LESC-HK proposes that only those professionals who have passed the appropriate examination and acquired the proper qualification could be accorded the title "patent attorney/agent" and that there should be a requirement for such patent attorneys/agents to demonstrate that their knowledge in the area is current. The

Chapter 3 : Regulation of Patent Agency Services in Hong Kong (55 submissions received)

11. If a regulatory regime is to be introduced for providers of patent agency services, should we restrict the provision of such services to persons meeting certain qualifications or requirements only? Or should we limit the use of particular titles only but allow the provision of such services by any person?

		<p>Government should be responsible for setting up such regulatory regime.</p>
<p>11.2</p>	<p><u>Professional Bodies</u></p> <ul style="list-style-type: none"> ● HIPP ● HKITMP ● APAA ● The Law Society 	<ul style="list-style-type: none"> ● HIPP suggests that the provision of patent agency services should be restricted to qualified persons. ● HKITMP is wary that different titles may be confusing to the public and advises that it may be more appropriate to focus on regulation of the nature of the services provided rather than the title of the person providing the services. ● APAA supports a more liberal approach similar to that of the UK which restricts the ability to use particular titles such as “patent agent” and “patent attorney” by certain professionals who satisfy relevant requirements and are registered under appropriate regulations. This will ensure that high professional standards are required and maintained, and will give the public confidence that, when dealing with a patent agent or patent attorney, they are dealing with someone suitably qualified, experienced and insured to handle substantive patent issues. ● APAA is of the view that even for professionally qualified persons acting in the patent field and entitled to be “patent attorneys” under any proposed regulations, there should be an element of regulation to ensure that qualified patent agents with a technical scientific background and training in patent drafting do not, unless otherwise qualified, handle patent-related legal issues outside of their field of expertise. Conversely, solicitors who are not otherwise qualified should not handle drafting of patent specifications and claims.

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11. If a regulatory regime is to be introduced for providers of patent agency services, should we restrict the provision of such services to persons meeting certain qualifications or requirements only? Or should we limit the use of particular titles only but allow the provision of such services by any person?

		<ul style="list-style-type: none"> ● The Law Society believes that since patents are technical matters, to improve (or maintain) patent quality and to protect public interest (from both the patent owner’s and public’s perspectives) by having properly defined patents, professional patent services should be restricted only to those persons meeting the prescribed qualifications.
<p>11.3</p> <p><u>Academic Sector</u></p> <ul style="list-style-type: none"> ● Dr C W Tso ● Biochemistry Alumni Association, HKUST 		<ul style="list-style-type: none"> ● Dr C W Tso believes that provision of patent services should be restricted to persons meeting certain qualifications and experience requirements. He further suggests that the use of titles such as “patent agent” or “patent attorney” be restricted to those professionals who satisfy the prescribed requirements and are registered under the relevant ordinances. ● Biochemistry Alumni Association, HKUST suggests that use of titles should be restricted.
<p>11.4</p> <p><u>Legal Practitioners / Patent Practitioners</u></p> <ul style="list-style-type: none"> ● Richard R. Halstead ● QPA Group ● Song & Chan ● Nigel Lee 		<ul style="list-style-type: none"> ● Richard R. Halstead considers that Hong Kong undertakings serving as “patent agents” generally do not possess necessary scientific or technical expertise. While they are capable for the purpose of enforcement of patents, they are less so in understanding the technical aspects of the subject inventions. There are no problems as long as the term “patent agents” refer to legal advisory or agency services for registering patents professionally prepared and prosecuted outside of Hong Kong. However, problems will inevitably arise if patents are drafted in Hong Kong by unqualified persons. Similarly, if patent agents possess only technical but no specialist legal training in drafting and prosecuting patents, there

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11. If a regulatory regime is to be introduced for providers of patent agency services, should we restrict the provision of such services to persons meeting certain qualifications or requirements only? Or should we limit the use of particular titles only but allow the provision of such services by any person?

- Kam Wah Law
- Kenneth Yip
- Benny Kong
- Anonymous respondents

- will be a negative impact on the quality of patents. He highlights the need to let consumers know the qualification of “patent agents” with whom they are dealing.
- Richard R. Halstead suggests that a register of professionally qualified patent agents similar to the US, should be set up by including people around the world with technical qualifications and who have had professional training for the purpose of drafting and prosecuting patent applications.
 - QPA Group is of the opinion that use of the term “registered” preceding the titles “patent attorney” or “patent agent” should be restricted to those who are professionally qualified.
 - Song & Chan suggest keeping a register of qualified persons that is available for public inspection but still allowing unqualified persons to provide patent agency services.
 - Nigel Lee is of the view that regulation of use of titles will prevent users of the system from being confused and the provision of patent agency services should be restricted to persons holding the requisite qualifications only, as simply limiting the use of particular titles will not put an end to the provision of low quality patent services.
 - Kam Wah Law thinks that the provision of patent agency services should be restricted to persons meeting certain qualifications or requirements only.
 - Benny Kong, Kenneth Yip and another respondent suggest that the use of particular

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11. If a regulatory regime is to be introduced for providers of patent agency services, should we restrict the provision of such services to persons meeting certain qualifications or requirements only? Or should we limit the use of particular titles only but allow the provision of such services by any person?

	<p>titles should be limited to recognised or qualified personnel only.</p> <ul style="list-style-type: none"> • A respondent suggests following the UK system and restricting the use of titles “registered patent agent” or “registered patent attorney” to persons who have passed the relevant qualification examinations and solicitors who practise in patent law.
<p>11.5</p> <p><u>Others</u></p> <ul style="list-style-type: none"> • HKPC • Scholar Corporation • Blessed Inc • Bach Limited 	<ul style="list-style-type: none"> • HKPC suggests that the provision of the patent agency services should be restricted to persons meeting specified professional qualifications and requirements. The use of the titles such as “patent agent” or “patent attorney” should be regulated either by the profession or a government qualification authority. • Scholar Corporation, Blessed Inc and Bach Limited agree that the Government should set a meaningful level of competency so that only those who have received practical and academic training can hold themselves out as “patent attorney”. They are of the view that Hong Kong should not countenance a qualification scheme that is below the level of those of the major economies that Hong Kong does business with.
<p>11.6</p> <p><u>Individuals</u></p> <ul style="list-style-type: none"> • Stanley • Eric Yung • Anonymous respondents 	<ul style="list-style-type: none"> • Stanley suggests that patent agency services could be provided by any person but only the use of particular title(s) should be restricted. • Eric Yung is of the view that work related to civil and criminal proceedings should be restricted to lawyers; whereas general patent-related work can be carried out by registered patent agents.

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11. If a regulatory regime is to be introduced for providers of patent agency services, should we restrict the provision of such services to persons meeting certain qualifications or requirements only? Or should we limit the use of particular titles only but allow the provision of such services by any person?

- A respondent suggests that as a transitional arrangement, only the use of particular titles should be limited but patent agency services should be allowed to be provided by any person.
- A respondent suggests maintaining a register on the IPD website of “approved” patent agents, comprising anyone who has passed the relevant qualifications in China, Australia, the UK, EPO, the US, Canada, Singapore or New Zealand. These places are considered acceptable because of their importance to Hong Kong or the solid qualifications acquired by patent practitioners in such places through assessments and examinations of their competence in related skills. A residence requirement should also be imposed. To make it easier for the public, there could be a list of patent agencies or law firms employing at least two patent agents or attorneys in Hong Kong or having at least one director or partner in Hong Kong who is a patent agent or attorney. If in future Hong Kong is to have its own patent agent qualifications, any grandfathering of existing practitioners should be on the basis of one of the above well-respected patent qualifications rather than simply on time spent in the field or qualification as a solicitor. As for fluency in Chinese, the respondent suggests that this should not be made a requirement for now due to the high demand for patent-related work in English in Hong Kong.
- A respondent thinks that the provision of patent agency services should be restricted to people with specific qualifications and relevant training only so as to raise the quality of such services.

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12. If a regulatory regime is to be introduced for providers of patent agency services, should the regulation apply to all types of patent agency services or only to certain services e.g. the drafting and amendment of patent specifications under an OGP system?	
	Views / Concerns
<p>12.1</p> <p><u>Industrial / Trade Associations</u></p> <ul style="list-style-type: none"> ● HKGCC 	<ul style="list-style-type: none"> ● HKGCC considers that the regulation should only apply to tasks that require a minimum level of definable competencies and not clerical matters such as filing or paying annuities.
<p>12.2</p> <p><u>Professional Bodies</u></p> <ul style="list-style-type: none"> ● HIPP ● HKITMP ● APAA ● The Law Society 	<ul style="list-style-type: none"> ● HIPP proposes that services in relation to drafting of patent specification and the provision of patentability, invalidation and infringement opinions for use in court should be regulated. ● HKITMP is of the view that only the provision of substantive aspects of patent agency services should be restricted to appropriately qualified and experienced practitioners. It also notes that non-substantive services (such as effecting payment of and issuing reminders for renewals) would usually be performed by persons under the supervision of such appropriately qualified persons. ● APAA is of the view that regulation should only relate to those aspects of patent agency services where the public is entitled to expect those providing the services to have appropriate qualifications, skills and insurance. Such services are not confined to the drafting of patent specifications and claims. ● The Law Society believes that as patents are technical matters, to improve (or

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12. If a regulatory regime is to be introduced for providers of patent agency services, should the regulation apply to all types of patent agency services or only to certain services e.g. the drafting and amendment of patent specifications under an OGP system?

		<p>maintain) patent quality and to protect public interest (from both the patent owner’s and public’s perspectives) by having properly defined patents, the regulation should apply to all types of patent agency services.</p>
<p>12.3</p>	<p><u>Academic Sector</u></p> <ul style="list-style-type: none"> ● Dr C W Tso ● Biochemistry Alumni Association, HKUST 	<ul style="list-style-type: none"> ● Dr C W Tso suggests that both “patent agent” and “patent attorney” can provide services covering drafting and amendment of patent specification under an OGP system. However, “patent agent” can represent clients in registry proceedings whereas “patent attorney” can represent clients in both registry proceedings and court proceedings. ● Biochemistry Alumni Association, HKUST suggests that legal professionals with the title can represent clients in court on patent matters and amend specifications of patents while technical professionals with the title can draft and finalise specifications of patents.
<p>12.4</p>	<p><u>Legal Practitioners / Patent Practitioners</u></p> <ul style="list-style-type: none"> ● QPA Group ● Nigel Lee ● Kam Wah Law ● Benny Kong ● Anonymous respondents 	<ul style="list-style-type: none"> ● QPA Group is of the view that provision of substantive patent agency services should be restricted to those who are suitably qualified and experienced. Restriction should not be imposed on non-substantive patent agency work. ● Nigel Lee supports the application of regulation to the provision of all types of services that require patent agency expertise and skills. ● Kam Wah Law is of the view that the regulation should apply to all types of patent agency services. ● Benny Kong thinks that all types of patent agency services should be regulated,

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12. If a regulatory regime is to be introduced for providers of patent agency services, should the regulation apply to all types of patent agency services or only to certain services e.g. the drafting and amendment of patent specifications under an OGP system?

		<p>including the adoption of one's name and address as the agent for service.</p> <ul style="list-style-type: none"> ● A respondent supports regulating all types of patent agency services. ● A respondent thinks that only persons who qualify as registered patent agents or patent attorneys should be allowed to draft patents and prosecute patents.
12.5	<p><u>Others</u></p> <ul style="list-style-type: none"> ● HKPC 	<ul style="list-style-type: none"> ● HKPC suggests that the provision of essential patent agency services such as drafting and amendment of patent specifications under an OGP system should be regulated.
12.6	<p><u>Individuals</u></p> <ul style="list-style-type: none"> ● Stanley ● Anonymous respondents 	<ul style="list-style-type: none"> ● Stanley suggests that the regulation should apply to all types of patent agency services. ● A respondent suggests that as a transitional arrangement, the regulatory regime should apply to all types of patent agency services temporarily. ● A respondent sees no reason to require filing of patents to be done by qualified patent agents only under the current standard patent system although such a requirement may help to increase Hong Kong's competitiveness in terms of patent expertise. He considers it a good idea to require representation before IPD to be done by someone with recognised patent (not legal) qualification only if Hong Kong is to switch to an OGP system. As for drafting of patent applications, although regulating the provision of such services will protect the public further and help bolster the competitiveness of the IP profession in Hong Kong, the respondent thinks that small companies that do not care so much about quality may be

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12. If a regulatory regime is to be introduced for providers of patent agency services, should the regulation apply to all types of patent agency services or only to certain services e.g. the drafting and amendment of patent specifications under an OGP system?

concerned with the increased costs. If the provision of such services is to be regulated, he does not think solicitors should be allowed to draft patent applications. He also puts forward the suggestion that the Government can provide subsidies for drafting (if done locally) through the Hong Kong Productivity Council.

- A respondent thinks that the regulation should apply to certain services only, for example, drafting and amendment of patent specifications should only be done by people with a science, engineering or law degree.

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13. Other suggestions / comments received.

	Organisations / Individuals	Views / Concerns
13.1	<p><u>Industrial / Trade Associations</u></p> <ul style="list-style-type: none"> ● HKAPIA ● TMHK ● HKEIA ● HKMFS ● PVCHK ● HKMMA ● AmCham 	<ul style="list-style-type: none"> ● HKAPIA, TMHK, HKEIA, HKMFS, PVCHK and HKMMA all suggest that an open licensing system should be introduced in Hong Kong in two stages; firstly granting licences to existing providers of patent agency service and secondly setting up a committee for the regulation of patent agents to formulate a unified examination system and to issue codes of conduct for the grant of licences. ● AmCham believes that the patent agency profession should be properly regulated by a statutory body to maintain high standards and protect users across the full range of patent agency services. It suggests that the Government should consider its role in setting standards for and regulating the profession, and in developing institutions for training patent agent professionals and establishing accreditation that adheres to international standards.
13.2	<p><u>Professional Bodies</u></p> <ul style="list-style-type: none"> ● HKIPA ● APAA ● The Law Society 	<ul style="list-style-type: none"> ● HKIPA suggests that an open licensing system should be introduced in Hong Kong in two stages; firstly granting licences to existing patent agency service providers and secondly setting up a committee for the regulation of patent agents to formulate a unified examination system and to issue codes of conduct for the grant of licences. ● APAA points out that Hong Kong already has persons practising who are qualified as patent agents or patent attorneys in their home jurisdictions. APAA believes that Hong Kong should continue to allow and encourage suitably qualified patent agents

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	<p>and/or patent attorneys from countries with laws and legal systems with relevance to Hong Kong to live, work and practise in the patent field in Hong Kong.</p> <ul style="list-style-type: none">● APAA suggests that an element of regulation should be included to ensure that qualified patent agents with a technical scientific background and training in patent drafting do not, unless otherwise qualified, themselves handle patent related legal issues outside their field of expertise and, conversely, that solicitors not otherwise qualified do not handle the drafting of patent specifications and claims, as very different skill sets are involved in these different fields of endeavour.● APAA advises that formal qualifications, including education, training, requisite skills and experience for a patent agent and/or patent attorney in Hong Kong should be kept up with the standards adopted by jurisdictions having credible patent agents and/or attorney professions and systems.● APAA recommends that any formal qualification must be a professional qualification comparable to the standards required by legal practitioners in Hong Kong and patent agents/attorneys in other comparable jurisdictions, or that of other professions.● APAA emphasises that neither APAA nor any of the bodies in Hong Kong which currently offers training courses in relation to patents, offers anything remotely approaching the level required to qualify as a professional patent agent/attorney (i.e. with a scientific background and the ability to draft and interpret patent specifications and claims). For example, none of the courses offered recently by APAA (in association with FICPI (Fédération Internationale des Conseils en Propriété Industrielle) and SEAD (South East Asian Drafting Course)) and HKIPA (with Warwick University) come close to qualifying the attendees to describe
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		<p>themselves as registered patent agents/patent attorneys.</p> <ul style="list-style-type: none"> ● The Law Society is concerned with the use of titles protected in the international arena (but not in Hong Kong) by unregulated organisations which aspire to confer such registered titles to their members as their actions could well confuse the public into believing that such organisations and members were indeed officially recognised and regulated. ● The Law Society refers to Ms. Ip's Letter which claims that there is a lack of local patent experts capable of drafting patent specifications for enterprises in Hong Kong for use and protection in Hong Kong. The Law Society does not agree and points out that many of the patent applications made in Hong Kong are done through law firms or patent agencies based in Hong Kong that employ patent professionals who have attained their recognised titles and qualifications overseas. This is because Hong Kong adopts a re-registration system and it is not surprising that most of the patent specifications are drafted by non-local patent professionals.
13.3	<p><u>Political Parties / Groups</u></p> <ul style="list-style-type: none"> ● DAB ● Economic Synergy ● New People's Party 	<ul style="list-style-type: none"> ● DAB opines that in the first stage of the implementation of the regulatory regime, the professional standards adopted by the Law Society, the Hong Kong Bar Association, HKIPA, HIPP and APAA should be recognised as the standard of regulation of patent agents. In the second stage, a committee formed by the five associations mentioned above for regulation of patent agents should be set up to formulate unified professional guide and codes of conduct of patent agents. ● Economic Synergy opines that the Government should provide training to patent practitioners, engineers, agents and researchers in relation to drafting of patent documents and handling of patent-related matters. The Government should also

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		<p>create job opportunities for science graduates.</p> <ul style="list-style-type: none"> • New People's Party emphasises the importance of having an overall plan for training of personnel, recognition of qualifications, quality assurance of educational programs and registration and regulation of patent agents. They are of the view that the Government should discuss with relevant academic and professional bodies, as well as SIPO and WIPO about the requisite training and the setting of standards of practice for patent personnel.
13.4	<p><u>Legal Practitioners / Patent Practitioners</u></p> <ul style="list-style-type: none"> • QPA Group • Song & Chan • Danny Chan • Kenneth Yip 	<ul style="list-style-type: none"> • QPA Group considers it of paramount importance that should a regulatory regime be introduced, it must meet the needs of the legal system in Hong Kong as well as the standard of international practice. • Song & Chan recommend that all companies providing patent agency services should be registered with IPD or an unofficial organisation; information regarding such companies including qualifications and experience of their personnel should be published and updated periodically. Information regarding patent agents or patent agency firms that have failed to provide satisfactory patent agency services causing loss to their clients should also be published periodically. • Danny Chan notes that a patent agent registration system is commonly regulated by regional governments, not by individual organisations. • Kenneth Yip suggests that there should not be a distinction between a technical education gained from a university and one gained elsewhere so long as the technical education requirement is recognised by the Government. As regards knowledge of patent law, Kenneth Yip believes that formal procedural training

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		<p>through apprenticeship, course study or examination should be mandatory. In addition, he suggests reciprocal recognition of patent professional qualifications to be arranged with other governments.</p>
13.5	<p><u>Others</u></p> <ul style="list-style-type: none"> ● APICC ● Blue Ocean Strategy Consulting/Art Group Limited 	<ul style="list-style-type: none"> ● APICC suggests that the right to grant licences should not be given exclusively to a single professional or trade association. A minimum of four to five trade and professional bodies should have the right to grant licence so as to ensure that a fair, open and cost-effective licensing system is maintained. ● Blue Ocean Strategy Consulting/Art Group Limited recommends that the regulatory regime should be left to an independent committee comprising academics, business consultants, licensing professionals, legal professions and certified engineering professionals should a decision of establishing an OGP system in Hong Kong is to proceed.
13.6	<p><u>Individuals</u></p> <ul style="list-style-type: none"> ● Ng Chan Wai ● 龔春暉 ● Wilson, Lee Waim Wing 	<ul style="list-style-type: none"> ● Ng Chan Wai opines that currently, Hong Kong does not have sufficient patent agents who are qualified to write patent claims in various fields, e.g. electronics, biology and mechanics, and suggests that the Government sets up a training and assessment centre for writing of patent claims. ● 龔春暉 suggests that the Government should provide training and assistance to people who are interested in becoming patent agents in Hong Kong and China. ● Wilson, Lee Waim Ming has expressed a number of specific views: <ul style="list-style-type: none"> (a) Hong Kong should strive to achieve an independent status like Taiwan for which the right of priority is recognised in the US after it has signed an

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		<p>agreement with the US for the purpose;</p> <ul style="list-style-type: none">(b) the claim of priority under the Paris Convention is limited to industrialised nations which are parties to the Convention, so Hong Kong should join China to contact nations other than parties to the Convention to seek export opportunities;(c) the limitations on IP rights should be clearly defined if they conflict with public interests (e.g. if they harm health or prevent progress);(d) members from different communities should be involved to define social rights so as to eliminate or resolve conflicts that may exist between the respect for and implementation of the current IP system and international human rights, and IP system should conform with human right laws and social rights;(e) rules or guidelines should be made for Hong Kong designs or patented products to create brand name images; and(f) a working model representing the final product relating to the patent should be submitted with the patent application.
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Other Comments Regarding the Patent System (25 submissions received)	
14. How else should we position our system for the purposes of encouraging local innovation and attracting investors to use Hong Kong as a launching pad for their research and development operations?	
Organisations / Individuals	Views / Concerns
<p>14.1 <u>Industrial / Trade Associations</u></p> <ul style="list-style-type: none"> ● AmCham ● HKAPI 	<ul style="list-style-type: none"> ● AmCham suggests the following changes: <ul style="list-style-type: none"> (a) provide the opportunity to recover patent term for pharmaceutical products lost during extensive clinical trials and other regulatory approval procedures that are required before they receive pharmaceutical product licences and can be marketed; (b) amend the Patents Ordinance to enable the European and UK patents for second medical uses to continue to be validly registered in Hong Kong; (c) consider introducing wider defences to groundless threats (as in the groundless threats provisions relating to trade marks and in the amended section 70 of the UK Patents Act 1977) to allow parties to attempt to settle disputes before litigation without the risk of being alleged to have made groundless threat by sending a cease and desist letter; (d) review and update the procedural rules for patent litigation in courts (Order 103 of the Rules of High Court) with reference to current procedures used in the English Patents Court and the English Patents County Court, which have been significantly reformed and improved over the last 10 years to make patent litigation less costly and much quicker to resolve;

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- (e) set up an IP List at the High Court by appointing a panel or list of judges to deal with IP cases, including patent cases;
 - (f) introduce clear procedural rules for amending patents;
 - (g) introduce provisions in the Patents Ordinance to deal specifically with the patentability of biotechnological inventions; and
 - (h) introduce patent linkage to ensure that marketing approval for pharmaceutical products will not be granted to infringing products before expiry of the relevant patents.
- HKAPI proposes the following changes:
 - (a) implement patent extensions for pharmaceuticals;
 - (b) maintain and grow Hong Kong’s competitive edge in clinical trials and other R&D in the world’s increasing fluid knowledge economy;
 - (c) amend the Patents Ordinance to afford patent protection to pharmaceuticals with second or further medical uses;
 - (d) introduce patent linkage to prevent the grant of marketing authorisation to generic drugs before expiration of patent protecting the original drug product or its patented use, so as to avoid unnecessary litigation, provide ready access to information about the scope and expiry of patents and increase efficiency in the pharmaceutical industry by increasing predictability and transparency;
 - (e) update provisions regarding procedures for patent enforcement under Order

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	<p>103 of the Rules of the High Court to reflect the position under the current Patents Ordinance and the global trends in patent litigation;</p> <p>(f) introduce less expensive procedures for litigating straightforward patent disputes; and</p> <p>(g) establish a specialist court or division in court to deal with patent and other IP litigation in Hong Kong.</p>
<p>14.2 <u>Professional Bodies</u></p> <ul style="list-style-type: none"> ● The Law Society ● HIPP 	<ul style="list-style-type: none"> ● The Law Society is of the view that instead of making expensive fundamental changes to the patent system, the Government should review its support, subsidy and grant procedure to local enterprises to register patents in Hong Kong and overseas. ● The Law Society proposes updating the substantive law, for example, with regard to second medical use and “Swiss-type” claims. ● HIPP recommends that a Patent Re-examination Board (“PRB”) should be set up to handle re-examination requests arising under the full OGP system, to review the decisions on short-term patents made by the search and examination division and to review complaints relating to the applications for and the grant of patents. The PRB should provide patentability opinions based on the invention disclosure or patent specification submitted to it in order to reduce the costs of patent disputes. The PRB may also act as a designated authority for resolving IP disputes by functioning as a patent mediation or arbitration centre. HIPP also suggests that IPD may act as a PCT Receiving Office. HIPP also proposes that a working team

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	to be set up to communicate with WIPO, SIPO and USPTO and to study the feasibility of (a) accrediting the Hong Kong patent search and examination office as an ISA and an IPEA; and (b) acting as a satellite office of SIPO.
14.3	<p><u>Research & Development Industry</u></p> <ul style="list-style-type: none"> ● Hong Kong Invention Associations Ltd. (香港發明協會) (“HKIA”) <ul style="list-style-type: none"> ● HKIA has the following suggestions: <ul style="list-style-type: none"> (a) a fund for development of innovation inventions should be set up for promotion of innovation; (b) a fund for mentorship for inventors should be set up to encourage experienced inventors to share their experience with the younger generation; (c) a permanent innovative and technical inventions museum should be built for inventors to display their inventions for free; (d) conferences for introducing patent investment to potential investors should be held frequently to allow investors to promote their patented inventions and to facilitate exploitation of their inventions; (e) an “Innovation Fund” should be set up to assist the industries to develop their products; (f) the securitisation of the said Innovation Fund should be carried out so that the value of intangible properties can be determined by assessment and evaluation and enterprises engaging in R&D could raise capital through public investment; and

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	<p>(g) a supervisory committee for enterprises on the board of Growth Enterprises Market (“GEM”) should be set up to monitor and supervise the administration of the enterprises listed on GEM, so as to ensure the healthy growth of innovative listed enterprises.</p>
14.4	<p><u>Political Parties / Groups</u></p> <ul style="list-style-type: none"> ● New People’s Party <p>● New People’s Party asks the Government to take note of the operation of the PCT and PPH arrangements pioneered in 16 PCT signing parties, as well as the setting up of a Guangdong Centre of SIPO as the first organisation outside Beijing that carries out examination for invention patents for SIPO. New People’s Party thinks that Hong Kong should strive to set up another examination centre recognised by SIPO, as well as an ISA and an IPEA under PCT.</p>
14.5	<p><u>Academic Sector</u></p> <ul style="list-style-type: none"> ● Ronald Yu (part-time lecturer of the University of Hong Kong) ● Biochemistry Alumni Association, HKUST <p>● Ronald Yu suggests that Hong Kong must have local ability to assess the value of IP in order for Hong Kong to become a trading hub for IP. Hence, a facility to assess the validity of patents through local examination should be set up. Local examination capability would eliminate past problems of short-term patents being granted for inventions whereas the patents of which were rejected elsewhere.</p> <p>● Biochemistry Alumni Association, HKUST considers that Hong Kong has the niche to launch the development of IP exchange industries, and would initiate the new wave of “knowledge-based economy”, and it should serve as the window for global development of Mainland China innovative companies and the platform for multinational corporations to market in Mainland China, and also provide the platform for smaller firms to gather financial support and expand their businesses.</p>

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14.6	<p><u>Legal Practitioners / Patent Practitioners</u></p> <ul style="list-style-type: none"> ● QPA Group ● Song & Chan ● Anonymous respondent
14.7	<p><u>Others</u></p> <ul style="list-style-type: none"> ● HKPC ● Bach Limited ● Blue Ocean Strategy Consulting/Art Group Limited
	<ul style="list-style-type: none"> ● QPA Group believes that innovation and investment can be encouraged by way of taxation incentives for IP-related businesses. Grants may also be utilised, but applications need to be reviewed carefully and mechanisms to discourage abuse need to be implemented. ● Song & Chan believe that Hong Kong should invest resources in developing itself into a knowledge exchange centre. ● A respondent proposes that incentives such as tax credit or deduction should be provided to prospective patent applicants for them to file patent applications in Hong Kong and that conditions should be imposed on the current grant scheme so that applicants could only appoint Hong Kong service providers.
	<ul style="list-style-type: none"> ● HKPC considers that: <ul style="list-style-type: none"> (a) the Government's policies should be oriented towards supporting Hong Kong industry to promote the utilisation of inventions generated by government-supported project; (b) the Patent Application Grant should be relaxed to accept applicants other than first time comers; (c) the Government should make available different incentive schemes; (d) a more attractive tax regime should be set up to support companies in licensing, purchasing and transferring IPs by providing tax incentives to cover

<p style="text-align: center;">Other Comments Regarding the Patent System (25 submissions received)</p>	
<p>14. How else should we position our system for the purposes of encouraging local innovation and attracting investors to use Hong Kong as a launching pad for their research and development operations?</p>	<p>expenditure on external technology acquisition by R&D cooperation and machinery and equipment acquisition that embodies new technologies;</p> <ul style="list-style-type: none"> (e) an IP Court should be set up to handle litigation arising from IP trading disputes and IP enforcement; and (f) the Government should work on a reciprocal recognition system of patents registered with SIPO and in Hong Kong. <ul style="list-style-type: none"> ● Bach Limited considers “user pays” approach important to the reputation and public finance of Hong Kong. It is also concerned that the Government may confuse its objective to encourage local innovation by misallocating funds and provide subsidies to overseas R&D centres. It is of the view that financial help for small businesses with potential should come from private equity, angel investors and venture capital funds instead of the Government. ● Bach Limited points out that when reviewing the submissions received in response to the Consultation Paper, the Government must “balance interests” by considering how many people each letter writer represents and also how many of those people/entities file patents, and the number of patents each of them has filed. Bodies like the HKITMP, APAA and the Law Society represent a vast number of patent filing entities, such as large multinational corporations which file many patents each year. ● Bach Limited considers it an overstatement to say that the patent system “encourages development” and “drives the growth of the economy”.

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	<ul style="list-style-type: none"> ● Blue Ocean Strategy Consulting/Art Group Limited considers it important for the Government to be transparent to the community at large on its position on how it views the patentability of business method, computer program and software program in an OGP system.
14.8	<p><u>Individuals</u></p> <ul style="list-style-type: none"> ● Eric Yung ● Alfred Lee ● Guy Chan ● 王仁平 ● 焦先生 ● Stanley ● Philip Yung Tak Lam ● 黃金雄 ● Ms. Lee ● Anonymous respondents <ul style="list-style-type: none"> ● Eric Yung suggests that the Government should consider setting up a system which provides assistance to successful patent applications which have undergone substantive examination. He believes assistance and award schemes would encourage local innovation and attract investors to use Hong Kong as their launching location for their scientific research operations. ● Alfred Lee thinks that the existing patent system is not yet developed to the point of localisation for catering effectively all the formalities of documentations both with technical and legal involvements. He suggests that the existing Hong Kong Economic and Trade Offices Overseas to double up and extend their services of connections for handling formalities and documentations. ● Guy Chan has the following suggestions: (a) free sharing of patent rights in lieu of application fee; (b) setting up of an office operating schemes to help inventors to market their inventions in return for commission to fund the office; and (c) funding by the office to these researches is granted on condition that any rights or patents obtained from the results of such researches will be shared. ● 王仁平 suggests setting up a panel with expertise from relevant fields to assess inventions and to provide assistance only to those inventions that are worth

<p style="text-align: center;">Other Comments Regarding the Patent System (25 submissions received)</p>	
<p>14. How else should we position our system for the purposes of encouraging local innovation and attracting investors to use Hong Kong as a launching pad for their research and development operations?</p>	<p>supporting.</p> <ul style="list-style-type: none"> ● 焦先生 proposes that a department or unit in which there are professional staff to help inventors to prepare necessary documents for patent applications and for applications to the Patent Application Grant should be set up. Another fund should also be set up to help inventors in the production of products to realise their inventions. The Government should help inventors by matching or referring inventors to potential manufacturers or entrepreneurs who may be interested in their inventions. ● Stanley proposes that the patent legislation should be reviewed together with the copyright legislation so as to promote innovation, attract investments in Hong Kong and to avoid unnecessary litigation. He also suggests the exclusion of industrial products from copyright protection. ● Philip Yung Tak Lam suggests that citizens who are students, the elderly and the handicapped should be entitled to reduced patent application fees. He also proposes that patent applicants could file preliminary or rough ideas of their inventions to a committee and the patent application will be drafted at the applicants' cost. If the committee approves the value of the inventions, the costs to be borne by the applicant for patent application can be secured by charging the inventions to the committee and the assignment of the right to grant licences to the committee. He recommends setting up the following committees: (a) a "Patentable Elevation Committee" to offer services to potential patent applicants for assessing patentability; (b) a "Licensing Committee" to provide patent licensing services to patent owners; and (c) an "Industrial Motion Committee" to promote patented

Other Comments Regarding the Patent System (25 submissions received)

14. How else should we position our system for the purposes of encouraging local innovation and attracting investors to use Hong Kong as a launching pad for their research and development operations?

	<p>products to manufacturers and to assist in the marketing of the patented products.</p> <ul style="list-style-type: none">● Philip Yung Tak Lam also suggests that (a) the Government should make arrangements with the Mainland Chinese authorities and World Trade Organization for Hong Kong patents to be accepted by other countries as an alternative route to PCT; and (b) a website in which patents in all countries can be searched to promote knowledge of prior arts or granted patents should be set up.● 黃金雄 suggests that the Government should set up a fund to pay for the expenses incurred in the manufacture of products incorporating the innovative inventions.● Ms. Lee suggests that the public should be allowed to inspect the register of patents online and the latest patents granted should be published. The Government should assist the applicants in applying for patents so that applicants do not have to find their own lawyers or agents.● A respondent suggests setting up new assistance schemes to encourage graduates with a science and engineering degree to study law as a second degree to meet the needs of an OGP system.● A respondent suggests that standard forms/lists together with guide on completion of forms should be provided. The patent owners should be allowed to attend legal proceedings with the patent agents so that the patent owners could provide detailed explanation if needed.
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Annex C

Comparison of Key Features of the Standard/Invention Patent Systems in Hong Kong, Macao and Singapore¹

	HONG KONG	MACAO	SINGAPORE
Nomenclature	Standard patent	Invention patent	Patent (Singapore only grants one type of patent and has no lesser patent system)
Governing laws and regulations	(a) Patents Ordinance (Cap 514, Laws of Hong Kong) (b) Patents (Designation of Patent Offices) Notice (Cap 514A) (c) Patents (Transitional Arrangements) Rules (Cap 514B) (d) Patents (General) Rules (Cap 514C)	Industrial Property Code (Decree-Law N° 97/99/M of 13 December 1999) (IPC)	(a) Patents Act (Cap 221, Laws of Singapore) (b) Patents Rules and corresponding updates (c) Patents (Patent Agents) Rules 2001 (d) Patents (Composition of Offences) Regulations 2001
Responsible department	Intellectual Property Department	Intellectual Property Department of the Direcção dos Serviços de Economia (Macao IPD)	Intellectual Property Office of Singapore (IPOS)
Nature of the system	A “re-registration” system, where patents granted by any one of the designated patent offices, namely the European Patent Office (for patents designating the United Kingdom), the State Intellectual Property Office (SIPO) of the People’s Republic of China (PRC) and the United Kingdom Patent Office (collectively, the Designated Patent Offices), are registered in Hong Kong.	An “original grant” patent (OGP) system with outsourcing arrangements (substantive examination outsourced to SIPO) AND Extension of PRC patents: an applicant who has filed an application for an invention patent with SIPO or the grantee of an invention patent granted by SIPO may file a request with Macao IPD to extend the patent right to Macao.	An OGP system with outsourcing arrangements (substantive examination outsourced to the Austrian Patent Office, the Danish Patent and Trademark Office and the Hungarian Intellectual Property Office), with options for applicants to rely on search and examination reports from a number of prescribed patent offices (the Prescribed Patent Offices) instead of requesting search and examination when making the application in Singapore. The Prescribed Patent Offices include those of Australia, Canada (in respect of applications for a Canadian patent filed in English), Japan, New Zealand, Republic of Korea, the United Kingdom

¹ Information contained in various parts of this table is based on information found on various websites or publications, including but not limited to the official websites of the relevant patent offices.

	HONG KONG	MACAO	SINGAPORE
Patent Cooperation Treaty (PCT)	<p>The PCT, to which PRC is a contracting state, applies to Hong Kong with effect from 1 July 1997. A Hong Kong resident may file an international application either with SIPO or the International Bureau of the World Intellectual Property Organization (WIPO). The Hong Kong Patents Registry is not a receiving office for international applications under PCT.</p>	<p>The PCT is not applicable to Macao.</p>	<p>and the United States of America, and the European Patent Office (in respect of applications for a European patent filed in English).</p> <p>Singapore runs a self-assessment regime under which the applicant can choose to proceed with a grant even if the examination result is negative or mixed. Singapore is moving toward a “positive grant” system, where only applications that fully meet the patentability requirements can be granted.</p> <p>Singapore is a PCT contracting state. An international application may be filed by a resident or national of Singapore under the PCT directly with the Registry of Patents at IPOS as the receiving office or the International Bureau of WIPO.</p>
Patentability Requirements	<p>An invention is patentable if it:</p> <ul style="list-style-type: none"> (a) is susceptible of industrial application; (b) is new; and (c) involves an inventive step. 	<p>An invention is patentable if it:</p> <ul style="list-style-type: none"> (a) is novel; (b) involves an inventive step; and (c) is industrially applicable. 	<p>A patentable invention is one that satisfies the following conditions:</p> <ul style="list-style-type: none"> (a) the invention is new; (b) it involves an inventive step; and (c) it is capable of industrial application.
Non-patentable inventions	<p>The following are not patentable:</p> <ul style="list-style-type: none"> (a) a discovery, scientific theory or mathematical method; (b) an aesthetic creation; (c) a scheme, rule or method for performing a mental act, playing a game or doing business, or a program for a computer; (d) the presentation of information; (e) a method for treatment of the human or animal 	<p>The following are not patentable:</p> <ul style="list-style-type: none"> (a) discoveries, as well as scientific theories and mathematical methods; (b) materials or substances already existing naturally and nuclear matter; (c) aesthetic creations; (d) schemes, rules and methods for performing mental acts, playing games or doing business as well as computer programs, as such; 	<p>The following are not patentable:</p> <ul style="list-style-type: none"> (a) an invention the publication or exploitation of which would be generally expected to encourage offensive, immoral or anti-social behaviour; and (b) an invention of a method of treatment of the human or animal body by surgery or therapy or of diagnosis practised on the human or animal body.

	HONG KONG	MACAO	SINGAPORE
Extension of patent term	<p>body by surgery or therapy and a diagnostic method practised on the human or animal body;</p> <p>(f) an invention the publication or working of which would be contrary to public order (ordre public) or morality; and</p> <p>(g) a plant or animal variety or an essentially biological process for the production of plants or animals, other than a microbiological process or the products of such a process.</p>	<p>(e) presentation of information;</p> <p>(f) inventions whose commercial exploitation would be illegal, contrary to public order, public health or morality, including:</p> <p>(i) the human body, in the various stages of its formation and development, as well as the simple discovery of one of its elements, including the sequence or partial sequence of a gene;</p> <p>(ii) human cloning processes;</p> <p>(iii) human germinal genetic identity modification processes;</p> <p>(iv) the use of human embryos for industrial or commercial purposes;</p> <p>(v) processes for the modification of the genetic identity of animals that can cause them suffering without any substantial medical benefit to mankind or animal-kind, as well as the animals obtained by those processes;</p> <p>(g) methods for the surgical or therapeutic treatment of the human or animal body and methods of diagnosis applied to the human or animal body, excluding products, substances or compositions used in any of those methods; and</p> <p>(h) plant varieties or breeds of animal, as well as essentially biological processes for the production of plants or animals.</p> <p>Article 63 of the IPC provides for matters that shall not be excluded from patentability in spite of the above.</p>	<p>The original term for 20 years may be extended on one of the following grounds:</p> <p>(a) there was an unreasonable delay by IPOS in</p>

	HONG KONG	MACAO	SINGAPORE
		<p>in seeking marketing approval. The length of extension of patent shall not exceed seven years from the original term of the patent.</p>	<p>granting the patent; there was an unreasonable delay by one of the Prescribed Patent Offices in issuing the corresponding patent on which the national application in Singapore is based, and the Prescribed Patent Office has granted an extension of term of the corresponding patent on the basis of such delay; and (c) there was a delay in obtaining marketing approval for a pharmaceutical product containing a patented active ingredient which unreasonably curtails the opportunity to exploit the patent.</p> <p>For ground (a), a delay is considered unreasonable if (i) the interval between the date of filing and grant exceeds four years; or (ii) the interval between the date of request for examination (with or without search) report and grant exceeds two years. Any delay attributable to the applicant is excluded from the calculation. The term of patent shall be extended by the period by which the interval exceeds four years or two years respectively; or in cases where both (i) and (ii) apply, the longer of the two periods.</p> <p>For extension on grounds (b) or (c), the term of extension shall not exceed five years.</p>
<p>Dispute as to entitlement</p>	<p>At any time before a standard patent has been granted for an invention (whether or not an application has been made), any person may refer to the Registrar or the court the question of whether he is entitled to apply for the grant of a standard patent for the invention.</p>	<p>Where a patent right is granted to a person not entitled thereto or in infringement of any rights of third parties, an interested party may apply to court to annul the patent right, or alternatively, request reversion of title to him.</p>	<p>At any time before a patent is granted for an invention, any person may refer to the Registrar the question whether he is entitled to be granted a patent for the invention. Where it appears to the Registrar that the question involves matters which would more properly be determined by the court, the court shall have jurisdiction to do so.</p>

	HONG KONG	MACAO	SINGAPORE
Application and grant procedures	<p>After a standard patent has been granted, any person having or claiming a proprietary interest in or under the patent may refer to the court to determine disputes as to rights to a patent. The court may by order transfer or revoke the patent or order the applicant for revocation to make a new application for a patent.</p> <p>A standard patent application in Hong Kong is made in two stages: (1) a request to record a designated patent application (stage 1); and (2) a request for registration and grant (stage 2).</p> <p><i>Stage 1: Request to record a designated patent application</i></p> <p>A person entitled to apply for a grant of standard patent in Hong Kong may file a request with the Registrar to enter a record of an application for patent in one of the Designated Patent Offices (the Designated Patent Application), within six months from the date of publication of that application.</p> <p>After formality examination, the Registrar will publish the request to record the Designated Patent Application and advertise it in the Hong Kong Intellectual Property Journal (HKIP Journal).</p> <p><i>Stage 2: Request for registration and grant</i></p> <p>No substantive examination on patentability will be conducted by the Registrar and registration is merely dependent on the grant made by the Designated Patent Office. When a request to record the Designated Patent Application has been recorded in</p>	<p>(a) <u>The OGP route: application for invention patents in Macao</u></p> <p>An application for a Macao invention patent is roughly divided into four stages:</p> <p>(1) <i>Formal examination</i></p> <p>Once Macao IPD has received an application for patent registration, it will check if the application form and supporting documents satisfy the legal requirements.</p> <p>(2) <i>Publication of the notice of request</i></p> <p>If an application is in order, the application will be published in the form of “disclosure notice” in the Official Gazette of Macao (the Macao Gazette) after 18 months from the date of filing the application or, if a priority right was claimed, from the priority date.</p> <p>(3) <i>Substantive examination</i></p> <p>Within seven years from the date of filing, the applicant should file a request of substantive examination. The patent</p>	<p>After a patent has been granted, any person having or claiming a proprietary interest in or under the patent may refer to the Registrar questions as to rights to a patent. The Registrar (or the court if so referred) may by order transfer or revoke the patent or order the applicant for revocation to make a new application for a patent.</p> <p>The national route and the international route for patent applications in Singapore:</p> <p>(a) <u>National route</u></p> <p>(1) <i>Submission of national application</i></p> <ul style="list-style-type: none"> ● After receiving a request for a patent, IPOS shall proceed to check the formalities and conduct preliminary examination. ● The date of filing (DoF) is the earliest date on which documents required are filed to initiate the application. The application shall be published upon expiry of 18 months from the declared priority date or, if none, the DoF. <p>(2) <i>Search and examination</i></p> <p>Subsequent to the preliminary examination, the application proceeds to the search and examination process. The process is divided into “all-local approach”, “all-foreign approach” and “combination approach”:</p>

	HONG KONG	MACAO	SINGAPORE
	<p>the register and a patent in relation thereto has been granted by the Designated Patent Office, the applicant may request the Registrar, within six months from the date of the relevant grant or publication of the request to record in Hong Kong (whichever is later), to register the designated patent and grant to it a standard patent for the invention in Hong Kong.</p> <p>After formality examination, the Registrar will publish the request for registration and grant and advertise it in the HKIP Journal.</p> <p><u>Maintenance of patent applications</u></p> <p>When an application for standard patent has been inactive for five years (i.e. no request for registration and grant is made after stage 1), the applicant shall make an application to maintain the patent application (the Maintenance Application). The Registrar may refuse to maintain the application if there are deficiencies in the Maintenance Application or the Registrar is not satisfied that the Designated Patent Application has not been withdrawn or abandoned or its final decision is still pending.</p>	<p>application will be refused if the examination request is not made within the above time period.</p> <p>Once the applicant files the request of substantive examination, the patent application and the supporting documents (with Chinese translations) will be forwarded to SIPO for substantive examination. The SIPO examiners will provide a search and examination report and applicants may file further submissions in order to satisfy the patentability requirements.</p> <p>(4) <i>Registration and publication of registration</i></p> <p>After substantive examination, Macao IPD will make a decision based on the report(s) prepared by SIPO. If the application satisfies the registration requirements under the IPC and there is no objection within the specified time limit or the objection is unsuccessful, the application will proceed to registration. Macao IPD will then publish notice of registration in the Macao Gazette and a certificate of registration will be issued to the applicant.</p> <p>(b) <u>The extension of PRC patent route</u></p> <p>Applications for extension may be made either (i) after an application for invention patent has been submitted to SIPO or (ii) after the invention patent has been granted by SIPO.</p> <p>(1) <i>Formal examination</i></p>	<p>All-local approach</p> <p>An applicant shall make a request within 13 months or 21 months respectively from the declared priority date or, if none, the DoF to undergo either:</p> <p>(i) a search-then-examination process; or (ii) a combined search-and-examination process.</p> <p>All-foreign approach</p> <p>An applicant shall furnish IPOS with the final search and examination results or copy of the grant within 42 months from the declared priority date or, if none, the DoF of:</p> <p>(i) an application filed at any Prescribed Patent Offices; or (ii) an application filed under PCT.</p> <p>(the corresponding application and corresponding international application respectively)</p> <p>No independent search and examination is required to be done in Singapore under this approach.</p> <p>Combination approach</p> <p>An applicant may rely on the search results of a corresponding application or a corresponding international application and request examination in Singapore within 21 months from the declared priority date or, if none, the DoF.</p> <p><i>Two-track application system</i></p> <p>The above timeline is the default “fast-track” schedule adopted by IPOS. An applicant may apply to IPOS for a “block extension” and convert his</p>

HONG KONG	MACAO	SINGAPORE
	<p>After receiving the application for extension of a pending application or an invention patent, Macao IPD will proceed to formality examination to check if the application form and supporting documents satisfy the legal requirements.</p> <p>(2) <i>Publication of notice of application (for extension application with pending application in SIPO only)</i></p> <p>If the invention concerned is still pending a grant of patent by SIPO, notice of the application will be published in the Macao Gazette after 18 months from the date of filing with SIPO or, in case a priority right was claimed, from the date of the first relevant application.</p> <p>Within three months from the publication of the grant of the corresponding SIPO patent, the applicant shall file the prescribed information with Macao IPD.</p> <p>(3) <i>Approval of application and publication of notice of grant</i></p> <p>When the application is in order (and when the patent is granted by SIPO in the case of an extension of pending SIPO application), the application will proceed to approval stage provided that it satisfies the registration requirements under the IPC (including compliance of all formalities under the IPC). The notice of grant will be published in the Macao Gazette by Macao</p>	<p>application into a “slow track” system. Under the “slow track” system, the applicants may file examination request or search and examination request within 39 months or file final foreign search and examination results within 60 months from the declared priority date or, if none, the DoF.</p> <p>(3) <i>Grant of patent</i></p> <p>Upon receiving all required documents and satisfying itself that all conditions have been met, in the absence of any pending appeal, IPOS shall grant the applicant a patent and publish in the IPOS patent journal a notice that the patent has been granted.</p> <p>(b) <u>International route</u> (i.e. <i>Application filed under the PCT</i>)</p> <p>Applicants residing in Singapore may file an international application with IPOS as a receiving office or with the International Bureau of WIPO in Geneva.</p> <p>An international application consists of the international phase and national phase. During the international phase, an applicant will receive an international search report (ISR) and has the option to obtain an international preliminary report on patentability (IPRP). The international application will then enter the national phase and applicants may use the ISR (under the combination approach) and, if available, IPRP (under the all-foreign approach)</p>

	HONG KONG	MACAO	SINGAPORE
Post-grant search and examination	There are no relevant provisions in the Patents Ordinance.	IPD and the certificate of registration will be issued to the applicant. There are no relevant provisions in the IPC.	to apply for a grant of patent in Singapore. Any person may request a post-grant search and examination for any claim(s) in a patent specification on the ground that, prior to grant (a) at least one claim in the patent application, at the time of request for a grant, was not related to any claim in the application at the time the examination report was issued which has been examined and which is referred to in the report, or (b) the examiner did not consider all relevant prior art before preparing the report. The proprietor of the patent is given a right to respond before the post-grant search and examination report is issued.
Relief for infringement	Civil proceedings may be brought in the court by the proprietor of a patent in respect of any act of infringement which he alleges he is entitled (whether exclusively or not) under sections 73 to 75 of the Patents Ordinance to prevent.	Upon a patent right becoming valid, a patent holder is entitled to oppose any acts that constitute a breach of his patent, and specifically to prevent third parties, without his consent, from manufacturing, offering, storing, marketing or using a product covered by the patent, or importing or owning the same for any of the above purposes.	Civil proceedings may be brought in the court by the patent holder against any person who commits acts as stipulated under section 66 of the Patents Act. As an alternative simplified procedure, the proprietor of a patent and any other person may, by agreement with each other, refer to the Registrar the question whether that other person has infringed the patent.
Proceedings before Registrar/Court	Proceedings that may be begun before the Registrar include: (a) determination before grant of questions as to who may apply; (b) restoration of rights in standard patent applications; (c) restoration of lapsed standard patents; (d) opposition to surrender of patents; (e) revocation of patent on grounds of “ordre public” and morality; and	Proceedings that may be begun before Macao IPD include: (a) pre-grant opposition by third party to the patentability of an invention; (b) application for declaration of forfeiture; and (c) application for granting of mandatory licence. Proceedings that must be begun in court include: (a) appeal against decisions of Macao IPD whereby	Proceedings that may be begun before the Registrar include: (a) determination before grant of questions about entitlement to patents, etc.; (b) extension of term of patent; (c) amendment of specification of patent after grant; (d) restoration of lapsed patents; (e) opposition to surrender of patents; (f) determination after grant of questions about

	HONG KONG	MACAO	SINGAPORE
	<p>(f) revocation of patent following opposition or revocation proceedings of the corresponding patent in the Designated Patent Office.</p> <p>The Registrar shall give any party to a proceeding before him an opportunity of being heard before exercising any discretion adversely to that party.</p> <p>Proceedings that must be begun in court include:</p> <p>(a) appeal against decisions or orders of the Registrar;</p> <p>(b) application which is related to an action pending before the court, and application referred by the Registrar to the court;</p> <p>(c) amendment of specification of patents after grant;</p> <p>(d) rectification of register;</p> <p>(e) disputes over proprietary interest of a patent already granted;</p> <p>(f) application for compulsory licences for standard patents;</p> <p>(g) reference of disputes as to government use in extreme urgency, and import and export compulsory licences for patented pharmaceutical products;</p> <p>(h) infringement of patent;</p> <p>(i) infringement of rights conferred by publication of application for a standard patent;</p> <p>(j) groundless threats of infringement proceedings;</p> <p>(k) declaration as to non-infringement; and</p> <p>(l) application to revoke a patent on various grounds including patentability, entitlement, etc.</p>	<p>patent rights are granted, refused, affected, modified or terminated; and</p> <p>(b) application for annulment.</p>	<p>entitlement to patents;</p> <p>(g) infringement of patents (question referred to the Registrar by agreement);</p> <p>(h) declaration as to non-infringement; and</p> <p>(i) revocation of patents on various grounds including patentability, entitlement, etc..</p> <p>The Registrar shall give any party to a proceeding before him an opportunity of being heard before exercising any discretion adversely to that party.</p> <p>Proceedings that must be begun in court include (but not limited to):</p> <p>(a) appeals from certain decisions of the Registrar;</p> <p>(b) references of disputes as to government use;</p> <p>(c) application for compulsory licences;</p> <p>(d) infringement of patents other than that begun under section 67(3) of the Patents Act;</p> <p>(e) proceedings for groundless threats of infringement proceedings; and</p> <p>(f) questions referred by the Registrar under sections 20, 47 and 67 of the Patents Act.</p>

An Overview of the Lesser Patent Systems in Some Jurisdictions

Country	Title	Maximum term of protection	Patentability requirement	Limitation on number of claims	Examination & Enforcement
Australia	Innovation Patent (replacing petty patent ¹ on 24.5.2001)	8 years	<ul style="list-style-type: none"> - The invention must satisfy the following conditions : <ul style="list-style-type: none"> ● is a manner of manufacture; ● novel (absolute novelty² is required); ● involves an <i>innovative step</i>³ (a lower inventive threshold as compared to applications for standard patents)⁴; ● useful; and ● was not secretly used in the patent area prior to application date. 	Up to 5 claims	<ul style="list-style-type: none"> - To obtain grant : formality examination only. - The Commissioner of Patents may decide to examine the innovation patent, or the patent owner or a third party may specifically request an examination after grant. If the innovation patent meets the patentability requirements, a certificate of validity will be issued to the patent owner. If the innovation patent fails to meet the requirements, the innovation patent will be revoked by the patent office. An appeal may be filed at the Federal Court against the patent office's decision to revoke the innovation patent. - At any time after an innovation patent has been certified : <ul style="list-style-type: none"> (1) the patent office may decide to re-examine the innovation patent, or the patent owner or a third party may request for re-examination. Only novelty and innovative step issues are considered during re-examination. If an adverse report is issued, and the patent owner

¹ Under the previous system in Australia, the patentability requirements for standard patents and petty patents were largely the same.

² Absolute novelty means that the invention is not publicly known anywhere in the world prior to the filing of the application for a lesser patent.

³ The requirement of an “innovative step” would be satisfied if the invention differs from what has been known in a way that is not merely superficial or peripheral to the invention. The variation must be of practical significance to the way the invention works, so as to make a substantial contribution to the working of the invention. There is no requirement that an invention claimed in an innovation patent must be non-obvious.

⁴ For an invention to be patentable as a standard patent, it must satisfy the following requirements: (1) is a manner of manufacture; (2) novel (absolute novelty required); (3) involves an *innovative step* (i.e. the invention is not obvious to someone with knowledge and experience in the technological field of the invention); (4) useful; and (5) was not secretly used in the patent area before application date.

Country	Title	Maximum term of protection	Patentability requirement	Limitation on number of claims	Examination & Enforcement
Mainland China	Utility Model Patent ⁵	10 years	<ul style="list-style-type: none"> - The utility model must satisfy the following conditions : <ul style="list-style-type: none"> ● novel (absolute novelty is required); ● creative; and ● of practical use; and - Essentially the same patentability requirements as for invention patent applications. 	Unlimited – but subject to additional official fee for each claim in excess of the initial 10	<p>fails to resolve all issues within the stipulated period of time, the innovation patent will be revoked. The patent owner may appeal to the Federal Court against the patent office's decision to revoke the innovation patent after re-examination; and</p> <p>(2) any person may oppose an innovation patent and seek the revocation of it (after it has been advertised as being certified) based on certain specified grounds. Either party may file an appeal to the Federal Court against any decision issued by the patent office.</p> <ul style="list-style-type: none"> - Infringement proceedings in respect of an innovation patent cannot be started unless it has been examined and certified.
					<ul style="list-style-type: none"> - To obtain grant : formality examination only. - Examination on the patentability of the subject matter of a utility model will be conducted by the Patent Re-examination Board during the course of an invalidation proceeding. If it is found that the subject matter fails to meet the patentability requirements, the utility model will be invalidated. - Appeal against the Patent Re-examination Board's decision may be filed at the People's Court. - If an infringement dispute arises over a utility model patent, the People's Court or the administration department for patent-related work may require the patent owner or the complainant to present a patent right assessment report prepared by the patent administration department under the State Council. Such a report will serve as evidence in the infringement dispute.

⁵ In Mainland China, “utility models” refer to *new technical solutions proposed for the shape and structure of a product, or the combination thereof, which are fit for practical use.*

Country	Title	Maximum term of protection	Patentability requirement	Limitation on number of claims	Examination & Enforcement
Denmark	Utility Model	10 years	<ul style="list-style-type: none"> - A creation must satisfy the following requirements : <ul style="list-style-type: none"> ● new (absolute novelty is required); ● differs distinctly from the prior art; and ● susceptible of industrial application; and - Essentially the same patentability requirements as for patent applications.⁶ 	Appears to be unlimited	<ul style="list-style-type: none"> - To obtain grant : formality examination only. - Prior to grant, an applicant may request an examination on novelty of the creation and whether it differs distinctly from the relevant prior art. If the patent office finds that the application does not comply with the above requirements, the applicant will be notified and be invited to file his observations or correct the application within a time limit. The application will be shelved if the applicant does not respond to the notice or take steps to correct the application. - Examination after grant may be requested by anyone, but the request may only be made based on certain grounds for revocation set out in Denmark's Consolidated Utility Models Act. If the patent office finds that there are obstacles to registration, the registration shall lapse. Where the registration could be maintained subject to certain amendments, the patent office may amend the registration upon obtaining the agreement of the proprietor of the utility model.
Germany ⁷	Gebrauchs-muster (Utility Model)	10 years	<ul style="list-style-type: none"> - Inventions must satisfy the following conditions : <ul style="list-style-type: none"> ● new (novelty only needs to be local⁸, i.e. a lower novelty threshold as compared to patent 	Appears to be unlimited	<ul style="list-style-type: none"> - To obtain grant : formality examination only. - At any time before or after grant, upon request from the applicant, the registered proprietor or any other person, the patent office will conduct a search for the purpose of helping the applicant and/or third party to

⁶ To obtain the grant of a patent, an invention must satisfy the following conditions: (1) new; (2) differs essentially from the prior art; and (3) be susceptible of industrial application.

⁷ Information based on unofficial English translation of relevant legislation of Germany.

⁸ In Germany, a utility model may be regarded as new if it does not comprise any knowledge made available to the public within Germany.

⁹ Patents may be granted to an invention in any technical field if it satisfies the following requirements: (1) absolute novelty; (2) involves an inventive step; and (3) is susceptible of industrial application.

Country	Title	Maximum term of protection	Patentability requirement	Limitation on number of claims	Examination & Enforcement
Japan ¹⁰	Utility Model ¹¹	10 years	<ul style="list-style-type: none"> - The device must satisfy the following conditions : <ul style="list-style-type: none"> • novel (absolute novelty is required); • industrially applicable; and • a person ordinarily skilled in the art of the device would not have been <i>exceedingly easy</i> to create the device, a lower inventive threshold as compared to applications for patents.¹² 	Appears to be unlimited	<p>ascertain whether the subject matter of an application/grant is novel.</p> <ul style="list-style-type: none"> - Examination on the patentability of the subject matter of a utility model will be conducted by the patent office in a cancellation proceeding (with an avenue of appeal to the Patent Court) or in an infringement proceeding. - To obtain grant : formality examination only. - At any time before or after grant of a utility model, any person may file a request for a Utility Model Technical Opinion (the “UMTO Report”). When preparing the UMTO Report, the patent office will evaluate: (a) the novelty of the subject matter; and (b) whether the claimed device involves an inventive step. - Holder of utility model or exclusive licensee must obtain a UMTO Report prior to exercise of utility model right against an alleged infringer. - Examination on the patentability of the subject matter of a utility model will be conducted by the patent office in an invalidation proceeding. Appeal against the patent office’s decision may be filed with the Tokyo High Court.

¹⁰ Information based on unofficial English translation of relevant legislation of Japan.

¹¹ In Japan, “utility models” refer to *devices relating to the shape or structure of an article or combination of articles*.

¹² To obtain the grant of a patent, an invention must satisfy the following conditions: (1) new; (2) industrially applicable; and (3) a person ordinarily skilled in the art of the invention would not have been able to *easily* make the invention.

Short-Term Patents :
Number of Applications Filed and Granted in Hong Kong

	Number of applications filed	Number of short-term patents granted
1997	30	0
1998	113	51
1999	175	117
2000	274	233
2001	312	271
2002	333	265
2003	398	335
2004	416	329
2005	463	419
2006	520	436
2007	599	492
2008	488	435
2009	551	474
2010	614	522
2011	615	517
2012 (as at 30.11.2012)	589	475

An Overview of the Patent Agency Regulatory Regimes in Some Jurisdictions with an “Original Grant” Patent System

Jurisdiction	Regulatory Body	Persons permitted to act as agent in applying for patent / conducting patent related proceedings before the patent office and the court	Restriction on Use of Titles	Qualifications
Australia	Professional Standards Board for Patent and Trade Marks Attorneys (PSB) ¹	<p>Either :</p> <ul style="list-style-type: none"> – registered patent attorneys (they are not authorised to prepare documents to be issued from or filed in a court or to transact business, or conduct proceedings, in court); or – legal practitioners (they are not allowed to prepare specification, or document relating to amendment of specification unless they are instructed by registered patent attorneys or the amendment is directed by the court). 	<p>Use of the titles “patent agent” and “patent attorne” is restricted to registered patent attorneys whose names are entered on the Register of Patent Attorneys kept by the Director General of IP Australia.</p>	<p>Qualifications of a registered patent attorney :</p> <ul style="list-style-type: none"> – a resident of Australia; – a holder of a degree, diploma, advanced diploma or graduate diploma under the Australian Qualification Framework which is in a field of technology that contains potentially patentable subject matter and is awarded in the higher education sector; – satisfied the requirements of an accredited course of study conducted by an appropriate tertiary institution; – with at least two years of working experience in patent related work; and – of good fame, integrity or character.

¹ PSB is a statutory body established to administer the regulatory and disciplinary regimes for patent attorneys in Australia (see www.psb.gov.au).

Jurisdiction	Regulatory Body	Persons permitted to act as agent in applying for patent / conducting patent related proceedings before the patent office and the court	Restriction on Use of Titles	Qualifications
Mainland China	All China Patent Agents Association (authorised by the State Intellectual Property Office)	Patent agents	Use of the title “patent agent” in the provision of patent agency services for economic benefits is restricted to the patent agents with professional practice certificates.	<p>Qualifications for obtaining a professional practice certificate :</p> <ul style="list-style-type: none"> - a Chinese citizen; - aged between 18 and 70, with full capacity of civil conduct; - graduated from a higher education institution with a science degree (or possessed equivalent educational qualification); - proficient in at least one foreign language; - familiar with the Patent Law and other related laws and regulations; - with at least two years of working experience in the scientific and technological field or the legal field; - passed the Patent Agents Qualification Examination held by the Patent Agent Examination Commission; and - in employment with a patent agency (for first-time applicants : must complete one year of internship with a patent agency before a professional practice certificate may be issued).
European Patent Convention (EPC) Countries	European Patent Office (EPO) and the Institute of Professional Representatives before the European Patent Office (the Institute) ²	Either : <ul style="list-style-type: none"> - professional representatives on the list of representatives maintained by EPO; or - legal practitioners having a place of business in a contracting state. 	The Institute of Professional Representatives before EPO recommends that use of the titles “patent attorney” and “patent agent” be restricted to professional representatives whose names appear on the list maintained by EPO. Individual EPC Countries may provide for similar restrictions in their	<p>Qualifications of a professional representative :</p> <ul style="list-style-type: none"> - a national of any contracting state; - has a place of business / employment in any contracting state; - possessed a scientific or technical qualification, e.g. in biology, biochemistry, chemistry, electronics, pharmacology or physics; - trained under the supervision of a professional representative or as an employee dealing with patent matters in an industrial company established in one of the contracting states; and

² The Institute is an international non-governmental public law corporation that represents the European patent profession and has its own by-laws and code of professional conduct (see www.patentepi.com/patentepi/en/).

Jurisdiction	Regulatory Body	Persons permitted to act as agent in applying for patent / conducting patent related proceedings before the patent office and the court	Restriction on Use of Titles	Qualifications
New Zealand	New Zealand Intellectual Property Office (IPONZ)	<p>Either :</p> <ul style="list-style-type: none"> - registered patent attorneys (they are not authorised to transact business or conduct proceedings in court, unless they are also a barrister or solicitor); or - barristers / solicitors. 	<p>legislation (e.g. the UK).</p> <p>Use of the titles “patent agent” and “patent attorney” is restricted to persons whose names are entered into the register of patent attorneys kept by IPONZ.</p>	<ul style="list-style-type: none"> - passed the European qualifying examination conducted by various boards and committees of EPO and the Institute. <p>Qualifications of a registered patent attorney :</p> <ul style="list-style-type: none"> - a New Zealand citizen, Commonwealth citizen (British subject) or a citizen of the Republic of Ireland; - not less than 21 years of age; - passed the New Zealand Patent Attorney Examinations held by IPONZ; - of good character; and - in employment for a period(s) of at least three years by a patent attorney in New Zealand, the Patent Office, or in a form of employment that offers substantially similar practical experience.
Singapore	Intellectual Property Office of Singapore (IPOS)	<p>Either :</p> <ul style="list-style-type: none"> - registered patent agents (they are not authorised to represent his clients before the court, unless he is also an advocate / solicitor); or - advocates / solicitors. 	<p>Only a registered patent agent with practising certificates issued by the Registrar of Patents may hold out as a “patent agent” and “patent attorneys”.</p>	<p>Qualifications of a registered patent agent :</p> <ul style="list-style-type: none"> - a resident of Singapore; - a holder of a university degree or equivalent qualification approved by the Registrar of Patents; - passed the Graduate Certificate in Intellectual Property Law course conducted by the Faculty of Law, National University of Singapore; - passed the Patent Agents Qualifying Examinations conducted by the Registrar of Patents; and - completed internship in patent agency work under the supervision of a registered patent agent, or an individual registered as a patent agent or its equivalent in Australia, Canada, New Zealand, the UK or the US, or EPO for a period of at least 12 months.

Jurisdiction	Regulatory Body	Persons permitted to act as agent in applying for patent / conducting patent related proceedings before the patent office and the court	Restriction on Use of Titles	Qualifications
United Kingdom (UK)	Intellectual Property Regulation Board (IPReg) ³	Any person may conduct proceedings before the patent office. However, only barristers (and in certain circumstances, solicitors and patent attorneys) may act as advocates in court. ⁴	Use of the title “patent agent” and/or “patent attorney” is restricted to those persons whose names are entered into the register of patent attorneys ⁵ kept by the Chartered Institute of Patent Attorneys (CIPA); but solicitors may use the title “patent attorney” without being so registered.	<p>Conditions for issuance of a practising certificate :</p> <ul style="list-style-type: none"> – obtained professional indemnity insurance against any liability incurred when carrying out patent agency work in that practice year. <p>Qualifications of a patent agent / patent attorney :</p> <ul style="list-style-type: none"> – a degree conferred by a university or higher education institution in the UK or a pass in the Final Examination of the Law Society of the UK (or other equivalent qualification); – passed the Qualifying Examinations held by CIPA; – either (1) completed not less than two years’ full-time practice in the field of intellectual property, including substantial experience of patent attorney work, under the supervision of a registered patent attorney, or a barrister, solicitor or advocate who is engaged in or has substantial experience of patent attorney work in the UK, or (2) completed not less than four years’ full-time practice in the field of intellectual property, including substantial experience of patent attorney work in the UK; – honest and trustworthy; – willing to comply with regulatory requirements; and – able to manage financial affairs for themselves and clients responsibly.

³ IPReg is a non-governmental organisation jointly set up by CIPA and the Institute of Trade Mark Attorneys to regulate the patent attorney and trade mark attorney professions (see www.ipreg.org.uk/index.php for further details).

⁴ Traditionally, only barristers may act as advocates in court. However, in recent years, solicitors and patent attorneys are able to act as advocates in court in certain circumstances.

⁵ The register was previously published as the “register of patent agents”. This was changed to the “register of patent attorneys” on 1 January 2010.

Jurisdiction	Regulatory Body	Persons permitted to act as agent in applying for patent / conducting patent related proceedings before the patent office and the court	Restriction on Use of Titles	Qualifications
United States (US)	United States Patent and Trademark Office (USPTO)	Either : <ul style="list-style-type: none"> - registered patent attorneys; or - registered patent agents (they cannot conduct patent litigation in the courts or perform various services which the local jurisdiction considers as practising law). 	Use of the titles “registered patent attorneys” and “registered patent agents” is restricted to persons whose names are entered on the register of attorneys and agents kept in USPTO.	Qualifications of a registered patent attorney / registered patent agent : <ul style="list-style-type: none"> - a US citizen; - possessed the legal, scientific, and technical qualifications necessary for him to render applicants valuable service; - passed the “Examination for Registration to Practice in Patent Cases before USPTO” held by USPTO; and - of good moral character and reputation. Additional requirement for registered patent attorneys : <ul style="list-style-type: none"> - admitted to the practice of law in at least one state or territory of the United States.