



HONG KONG BAR ASSOCIATION

Secretariat: LG2 Floor, High Court, 38 Queensway, Hong Kong
 DX-180053 Queensway 1 E-mail: info@hkba.org Website: www.hkba.org
 Telephone: 2869 0210 Fax: 2869 0189

By fax 2869-6794 and by hand

18 June 2007

Ms Yue Tin-po,
 for Clerk to the Bills Committee on
 Patents (Amendment) Bill 2007,
 Legislative Council,
 8 Jackson Road, Central,
 Hong Kong.

Dear Ms Yue,

Re: Patents (Amendment) Bill 2007

The Council of the Hong Kong Bar Association is generally supportive of the Patents (Amendment) Bill 2007 because, quite apart from the fact that it implements Hong Kong's international obligations, the facilitation of access to generic versions of patented drugs for addressing public health problems is clearly an objective that should be pursued. The Council has only the following comments to make on the actual mechanism of the system.

Section 72E

1. If the pharmaceutical product is not patented in the exporting member, it seems clearly right that the proprietor of the Hong Kong patent should be remunerated. There will be no element of double compensation. The present draft, however, does not provide for this. Section 72E(1) applies to the case where remuneration has been paid to the proprietor in the exporting member so does not apply in the case where there is no applicable patent there. Section 72E(2) applies where remuneration has not been paid to the proprietor of *the patent* (emphasis added) thus assuming there is such a patent. The Council is of the view that a provision should be added to deal with the situation where there is no applicable patent in the exporting member.

香港大律師公會

香港金鐘道三十八號高等法院低層二樓

Chairman 主席：

Mr. Rimsky Yuen, S.C.

Vice Chairmen 副主席：

Mr. Clive Grossman, S.C.

Mr. Paul Shieh, S.C.

Hon. Secretary & Treasurer

名譽秘書及財政：

Ms. Lisa Wong, S.C.

Deputy Hon. Secretary

副名譽秘書：

Mr. Keith K.H. Yeung

Administrator 行政幹事：

Ms. Dora Chan

袁國強

郭兆銘

石永泰

黃國瑛

楊家雄

陳少琼

Members 執行委員會委員：

Mr. Anthony Chan, S.C.

Mr. Peter Duncan, S.C.

Mr. Joseph Tse, S.C.

Mr. Leo Remedios

Mr. Anthony Ismail

Mr. Stewart Wong

Mr. Andrew Mak

Mr. Michael Liu

Mr. P Y Lo

Mr. Lawrence Ng

陳健強

鄧樂勤

謝若瑟

李美度士

石善明

黃繼明

麥業成

廖建華

羅沛然

吳港發

Mr. Richard Khaw

Mr. Frederick Chan

Mr. Gary Soo

Mr. Norman Hui

Ms. Audrey Campbell-Moffat

Mr. Edwin Choy

Ms. Elaine Liu

Mr. Jenkin Suen

Mr. Robin Egerton

許偉強

陳慶輝

蘇國良

許文恩

金貝理

蔡維邦

廖玉玲

孫靖乾

艾家敦

2. Further, s 72E does not provide clearly for the situation where there are more than one relevant patent in the exporting member. In the perhaps unlikely event that the relevant patents are owned by different proprietors and not all have been paid, does s 72E(1) apply? And does s 72E(2) apply in such a case? Or would it be that in such a situation, the paid patent is governed by s 72E(1) and the other patent(s) is/are governed by s 72E(2)? This appears to be the proper interpretation and if so clearer drafting is preferable.
3. In s 72E, the Council is of the view that clarification should be made so as to refer to remuneration having been paid in accordance with Article 31 bis in the Protocol and Article 31(h) of the TRIPS Agreement, or legislation made in pursuant thereto or in implementation thereof. The Protocol and the TRIPS Agreement would have to be implemented by local legislation in many exporting members.
4. Further, what if there are disputes between the Director and the proprietor as to whether all legal remedies have been exhausted for the purposes of s 72E(2)? It would seem that the proprietor may have to seek relief by applying for judicial review. This dispute does not seem to be covered by s 72I because it goes to entitlement to be paid, and not just quantum or apportionment. It may be desirable to expand s 72I to cover this situation.
5. It may not always be fair to have equal share of the remuneration under s 72E(5), although this would perhaps be practical, leaving it to the proprietors to apply to the court for a variation if desired, as it appears to the Council that the Court can vary the apportionment under s 72I(7)(c). If this is the case, then clarification may be preferable by making s 72E(5) expressly subject to a Court order to vary the apportionment (although this may not be absolutely necessary in view of s 72I(6)(c)).

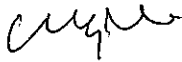
Section 72F

6. There may be gaps in s 72F(2). First, there may be no remuneration payable in Hong Kong because s 72E(1) applies and if so it is this fact that should be advertised (or is it intended that in such a case there is no need to advertise?). Second, under 72E(2), where remuneration is payable to the proprietor in the exporting member, we would have thought that the Director and the Hong Kong proprietor would not seek to agree on the remuneration in the expectation that the foreign proprietor will be paid. If it is not paid, then legal proceedings would have to be commenced in the exporting member to seek legal remedies, and only if all such legal remedies have been exhausted, would the parties then seek to agree. In the meantime, the import compulsory licence would have been granted and probably run its course and expired. Is it envisaged that there shall be no advertisement in the meantime until agreement (or the failure to agree)? As presently drafted, s 72F(2) seems to assume that there would always be one of two situations: agreement of remuneration or failure to agree, but there will be cases of no remuneration payable or a suspension period. If it is intended that advertisement is required only in the two situations as stated in s 72F(2), this should be made clearer.

Section 72M

7. For s 72M(1)(b)(v), the same point as para 5 above can be made. However, there does not appear to be any provision for the Court to vary the apportionment under s 72Q (and s 72Q(2)(c) does not seem to be wide enough to cover this).

Yours sincerely,



Clive Grossman, S.C.
Acting Chairman

Cc Mr Andrew Liao, S.C.
Mr Stewart Wong