

**For discussion  
on 15 November 2011**

## **Legislative Council Panel on Commerce and Industry**

### **Review of the Patent System in Hong Kong**

#### **Purpose**

The Administration issued on 4 October 2011 a consultation paper on the review of the patent system in Hong Kong. This paper outlines the key points of the consultation paper and our consultation arrangements.

#### **Background**

2. The current patent system in Hong Kong has been in place for more than a decade. To ensure that the system continues to meet present-day circumstances and that its future positioning is in alignment with our vision to develop Hong Kong into a regional innovation and technology hub, we have decided to conduct a comprehensive review, taking into account the latest international developments in patent protection. At the Panel meeting on 17 May 2011, we foreshadowed our intention to conduct a public consultation exercise on this subject in the fourth quarter of 2011.

#### **The Consultation Paper**

3. The consultation paper outlines the key features of the current regime and the situations in some other jurisdictions. We have also presented possible options for addressing the issues identified together with relevant considerations. The key issues on which we wish to seek views and comments in the consultation exercise are set out below -

#### Standard Patents

- (a) whether an “original grant” patent (OGP) system should be introduced in Hong Kong;
- (b) irrespective of the answer to (a) above, whether the current “re-registration” system should be maintained, and if so, whether the system should be expanded to recognize the patents granted by other jurisdictions;

### Short-Term Patents

- (c) whether the short-term patent system should be retained as a supplement to standard patents;
- (d) 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; and

### Regulation of Patent Agency Services

- (e) whether the provision of patent agency services in Hong Kong should be regulated, and if so, what form the regulatory system should take.

### **Standard Patents**

4. Whilst the current patent system has been generally accepted as user-friendly and cost-effective, there are growing calls for bringing in an OGP system which allows an inventor to apply for a standard patent direct in Hong Kong. Some consider that it would complement the efforts being made to encourage more entrepreneurs to use Hong Kong as a launching pad for their research and development businesses. That may in turn help fortify the further development of Hong Kong as a regional innovation and technology hub.

5. Moreover, some users consider that an OGP system may stimulate the growth of patent agency business in Hong Kong, help build up local expertise in drafting and prosecuting applications for patent, and offer added career opportunities for graduates with science and technical background. Under the scenario where an OGP system is adopted with substantive examination initially outsourced to other patent office(s), it may be open to us in the longer run to explore the possibility of engaging home-grown expertise and developing a technical database for the substantive examination of patent applications that fall within selected technological niches where Hong Kong is regarded as a centre of excellence.

6. Factors that pertain to the consideration of whether an OGP system should be introduced in Hong Kong include (a) whether it is cost effective to establish an OGP system; (b) whether an OGP system will facilitate patent users; and (c) whether an OGP system would help encourage local investment in innovation.

7. Regardless of whether an OGP system is to be established in Hong Kong, there may be merits in keeping the “re-registration” system. If the “re-registration” system is to be maintained, the question of whether the system needs to be expanded to recognize patents granted by other jurisdiction(s), and if so, which jurisdiction(s), will need to be considered. We may also consider whether other appropriate modifications should be introduced to the system.

### Possible Options

Option 1 : Introduce an OGP system with substantive examination outsourced to other patent office(s), in lieu of the current “re-registration” system

8. This option allows applicants to apply direct in Hong Kong. However, those who have already registered their patents in other jurisdictions will need to file their applications afresh in Hong Kong.

Option 2 : Introduce an OGP system with substantive examination outsourced to other patent office(s) whilst retaining the current “re-registration” system (with possible expansion in the number of designated patent offices)

9. Under this option, the current “re-registration” system is retained alongside the OGP system. The dual system will give users the added choice of applying for a standard patent in Hong Kong direct or through “re-registration” depending on their market and operation needs. However, operating a parallel system would entail extra cost in maintenance, which will have to be passed onto the users.

Option 3 : Do not introduce an OGP system, but maintain the current “re-registration” system with possible modifications

10. Under this option, we may have to consider, whether modifications would be appropriate, such as the possible expansion in the number of designated patent offices.

### **Short-Term Patents**

11. The current short-term patent system has been commended by some for offering a fast and inexpensive means of protecting simple inventions with a limited commercial life span in the market. On the other hand, since the

patentability of the invention is not subject to substantive examination before a short-term patent is granted, there is potentially more room for abuse.

12. When determining whether the current short-term patent system should be refined in any way, the following factors may be relevant: (a) whether the current short-term patent system is user friendly to the industry, provides flexibility and encourages innovation; (b) whether the maximum term of protection under the current short-term patent system is appropriate; (c) whether the refinement(s) under contemplation could help minimize legal uncertainty without undermining the cost-effectiveness of the system; and (d) whether the refinement(s) under contemplation would help maintain an appropriate balance between the interests of the patent owners and the interests of other users of the patent system.

### Possible Options

Option 1 : Maintain the status quo

13. The current short-term patent system provides owners of inventions with a right that is quick and affordable to obtain. It is for consideration whether there are merits in maintaining the status quo.

Option 2 : Refine the short-term patent system

14. Under this option, the current system is maintained with modifications where appropriate.

Option 3 : Discontinue the short-term patent system

15. Given the inherent problems the short-term patent system may have, it is for consideration whether the system should be discarded.

### **Regulation of Patent Agency Services in Hong Kong**

16. At present, patent agency is not a regulated profession in Hong Kong. In determining whether to establish a regulatory regime for providers of patent agency services, a balance has to be struck between the costs of regulating the profession and the benefits to the users of the services. Moreover, it would be necessary to consider the demand for patent agency services in Hong Kong, and how that would be affected by possible future developments in the standard patent and short-term patent systems.

### Possible Options

Option 1 : Maintain the status quo

17. Under this option, the current position allowing any person to act as an agent for others or carry on the business of a patent agent is maintained.

Option 2 : Establish a regulatory regime for providers of patent agency services

18. If a regulatory regime is to be introduced for providers of patent agency services, it may be necessary to consider -

- (a) whether the provision of such services should be restricted to persons meeting certain qualifications or requirements only, or whether the use of particular titles should be limited whilst allowing patent agency services to be provided by any person; and
- (b) whether regulation should apply to all types of patent agency services or only to certain services; e.g. drafting and amendment of patent specifications.

### **Advisory Committee**

19. As the review also involves different professional or technical considerations underpinning the patent system, we have set up an advisory committee (the “Committee”) with members drawn from a wide cross section of the patent-related fields. They comprise legal professionals and patent practitioners, as well as members of the academia, research and development and industrial sectors. The Committee will advise 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 system, in the light of decisions made by the Administration on the way forward.

## **Publicity and Consultation**

20. We are publicising this review and the public consultation through various channels. We held a press conference on the day we issued the consultation paper on 4 October 2011. Other publicity measures include attending radio discussion programmes, issuing press release and press articles, preparing posters and announcements in the public interest in radio and television. The consultation paper can be obtained from the Public Enquiry Service Centres of the District Offices of the Home Affairs Department, or downloaded from the websites of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau and the Intellectual Property Department. We have distributed the consultation paper to Exco Members, LegCo Members, trade and industry organisations, major intellectual property organisations, research and development centres and relevant academic institutions.

21. We have held briefing sessions for the Innovation and Technology Advisory Committee of the Hong Kong Trade Development Council and the Trade and Industry Advisory Board in October and November 2011 respectively. We will hold other briefing sessions, targeted at research and development centres, small and medium-sized enterprises, industry associations, tertiary education institutes and chambers of commerce in the coming months. Further briefing sessions may be organized for different groups to promote discussion in the community.

### **Next Step**

22. We have an open mind on how the various issues raised in the consultation paper should be addressed. The public consultation period will end on 31 December 2011. We will continue to publicise the contents of the consultation paper, and consider the views and comments received carefully before formulating any proposals. We plan to publish the Government's proposed way forward in the first half of 2012.

Commerce and Economic Development Bureau  
Intellectual Property Department  
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