

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1916/13-14  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/CI/1

**Panel on Commerce and Industry**

**Minutes of meeting**  
**held on Tuesday, 20 May 2014, at 2:30 pm**  
**in Conference Room 3 of the Legislative Council Complex**

- Members present** : Hon Vincent FANG Kang, SBS, JP (Chairman)  
Dr Hon CHIANG Lai-wan, JP (Deputy Chairman)  
Hon Emily LAU Wai-hing, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon Andrew LEUNG Kwan-yuen, GBS, JP  
Hon WONG Ting-kwong, SBS, JP  
Dr Hon LAM Tai-fai, SBS, JP  
Hon MA Fung-kwok, SBS, JP  
Hon Charles Peter MOK  
Hon Dennis KWOK  
Hon SIN Chung-kai, SBS, JP  
Hon Martin LIAO Cheung-kong, JP  
Ir Dr Hon LO Wai-kwok, BBS, MH, JP  
Hon CHUNG Kwok-pan
- Members attending** : Hon James TO Kun-sun  
Hon YIU Si-wing  
Dr Hon Kenneth CHAN Ka-lok

**Public officers  
attending**

: Agenda item IV

Commerce and Economic Development Bureau

Mr Gregory SO, GBS, JP  
Secretary for Commerce and Economic  
Development

Mr Raymond WU Wai-man  
Principal Assistant Secretary for Commerce and  
Economic Development (Commerce and  
Industry) 2

Trade and Industry Department

Mr Kenneth MAK Ching-yu, JP  
Director-General of Trade and Industry

Security Bureau

Mr LAI Tung-kwok, SBS, IDSM, JP  
Secretary for Security

Ms Amy WONG  
Principal Assistant Secretary for Security

Agenda item V

Commerce and Economic Development Bureau

Mr Gregory SO, GBS, JP  
Secretary for Commerce and Economic  
Development

Mr David F L WONG, JP  
Deputy Secretary for Commerce and Economic  
Development (Commerce and Industry) 2

Miss Patricia SO  
Principal Assistant Secretary for Commerce and  
Economic Development (Commerce and Industry) 3

Intellectual Property Department

Ms Ada LEUNG, JP  
Director of Intellectual Property

Innovation and Technology Commission

Mr Frank TSANG  
Assistant Commissioner for Innovation  
and Technology (Funding Schemes)

Agenda item VI

Intellectual Property Department

Ms Ada LEUNG, JP  
Director of Intellectual Property

Miss Magdalene LING  
Principal Intellectual Property Examiner

Ms Tina HON  
Systems Manager (Contract Management and  
Information Technology)

Commerce and Economic Development Bureau

Miss Patricia SO  
Principal Assistant Secretary for Commerce and  
Economic Development (Commerce and Industry)<sup>3</sup>

**Clerk in attendance** : Ms Annette LAM  
Chief Council Secretary (1)<sup>3</sup>

**Staff in attendance** : Ms Connie HO  
Senior Council Secretary (1)<sup>3</sup>

Miss Rita YUNG  
Council Secretary (1)<sup>3</sup>

Ms May LEUNG  
Legislative Assistant (1)<sup>3</sup>

Action

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**I. Confirmation of minutes of meeting**

(LC Paper No. CB(1)1418/13-14 -- Minutes of meeting held on 18 March 2014)

The minutes of the meeting held on 18 March 2014 were confirmed.

**II. Information papers issued since last meeting**

(LC Paper No. CB(1)1277/13-14(01) -- Administration's reply to the letter from The American Chamber of Commerce in Hong Kong dated 25 March 2014 on updating of Hong Kong's copyright regime as set out in LC Paper No. CB(1)1184/13-14(01)  
(*English version only*)

LC Paper No. CB(1)1349/13-14(01) -- Information on the financial position of the Applied Research Fund for the period from 1 September to 30 November 2013)

File reference: CITB CR 75/53/9 -- Legislative Council Brief on United Nations Sanctions (Yemen) Regulation)

2. Members noted that the above papers had been issued since the last meeting.

**III. Date of next meeting and items for discussion**

(LC Paper No. CB(1)1420/13-14(01) -- List of outstanding items for discussion

LC Paper No. CB(1)1420/13-14(02) -- List of follow-up actions)

3. Members noted that the next regular Panel meeting would be held on 17 June 2014 at 2:30 pm to discuss the following items proposed by the Administration:

- (a) Research and development of Chinese medicines; and
- (b) Progress report on Research and Development Centres 2013-2014

**IV. Hong Kong Special Administrative Region Government's protection and assistance for Hong Kong businessmen in Vietnam in the face of the recent anti-China riots**

(LC Paper No. CB(1)1466/13-14(01) -- Administration's paper on Vietnam incident)

Presentation by the Administration

4. At the invitation of the Chairman, the Secretary for Commerce and Economic Development (SCED) and the Secretary for Security (S for S) briefed members on the follow-up actions taken by the Hong Kong Special Administrative Region Government (HKSARG) in the wake of the recent outbreak of anti-Chinese protests in Vietnam as detailed in the Administration's paper (LC Paper No. CB(1)1466/13-14(01)).

Discussion

*Hong Kong Special Administrative Region Government's assistance for overseas Hong Kong residents and businessmen*

5. Mr Jeffrey LAM expressed appreciation of the Administration's prompt liaison with the relevant parties, including the Office of the Commissioner of the Ministry of Foreign Affairs of the Central People's Government, the Chinese Embassy in Vietnam, the Consulate-General in Ho Chi Minh City and various trade associations, to provide appropriate advice and assistance to Hong Kong people and the Hong Kong business community and corporate personnel affected by the protests in Vietnam. Mr LAM said that the rising production cost in the Mainland had prompted many Hong Kong enterprises to relocate their factories to nearby Asian countries where social and political situation could be unstable at times. He was concerned to what extent the HKSARG could assist these enterprises in time of crisis and enquired about the staffing provision for delivering the relevant support services. Mr Andrew LEUNG expressed a similar concern. The Chairman remarked that many Hong Kong businessmen had set up manufacturing

operations in Member States of the Association of Southeast Asia Nations ("ASEAN"), such as Thailand, Cambodia, Myanmar and Vietnam in recent years. He enquired whether the Administration would sign investment protection agreements with the relevant countries to secure better protection for Hong Kong businessmen's investments there.

6. S for S responded that a dedicated team had been set up in the Security Bureau to oversee Hong Kong residents' requests for assistance outside Hong Kong while the Assistance to Hong Kong Residents Unit ("AHU") under the Immigration Department ("ImmD") was tasked to provide prompt assistance to Hong Kong people in distress outside Hong Kong. Assistance to Hong Kong residents in need overseas would also be provided through the Chinese diplomatic or consulate mission in the relevant countries. He said that under the prevailing arrangement, staff of the AHU might fly to the countries concerned to assist Hong Kong residents if the situation warranted. Some of the incidents handled by AHU included Hong Kong tour groups stranded in Egypt due to civil unrest in January 2011 and the magnitude-9 earthquake and tsunami in Japan in March 2011 which affected many Hong Kong people. The manpower of the AHU would be adjusted flexibly according to the gravity and magnitude of the case. S for S also informed members that 10 requests for assistance from Hong Kong residents in Vietnam had been received through the AHU 24-hour hotline so far, all of which were about requests for advancing the date of their return flights to Hong Kong and all cases had been handled. Some Hong Kong residents requesting assistance had returned to Hong Kong while a few of them had subsequently chosen to postpone their return. S for S added that the international airports in Vietnam and flights between Hong Kong and Vietnam had maintained normal operation, and seat availability was not a concern. Staff of the AHU stood ready to set off for Vietnam to provide assistance for Hong Kong residents there if necessary.

7. On protecting Hong Kong businessmen's overseas investments in Member States of the ASEAN, SCED advised that Hong Kong and the ASEAN would commence negotiation of Hong Kong-ASEAN Free Trade Agreement ("FTA") in July this year which would contain provisions for investment promotion and protection. Vietnam, being one of the ASEAN Member States, would participate in the FTA negotiation. SCED added that generally an Investment Promotion and Protection Agreement ("IPPA") to which Hong Kong was a contracting party stipulated that the investments and return on investments of investors of a contracting party should receive fair and equitable treatment in the area of the other contracting party. In addition, a contracting party to an IPPA was required to take such measures as might be reasonably necessary to ensure the protection and security of the investment of an investor of the other contracting party. An IPPA also

stipulated that investors and their investments should under various circumstances receive reasonable and non-discriminatory treatment. In particular, a contracting party was obliged to make reasonable compensation in the event of, for example, expropriation of investments of investors, or during war or other emergency situations (including riots and insurrections) etc., although an IPPA did not guarantee that a contracting party must make compensation for all losses of investors under the circumstances. The Administration would strive to complete the FTA negotiation as early as possible in order to strengthen the economic and trade relations between Hong Kong and ASEAN Member States, so that Hong Kong business could have better access to the ASEAN markets and receive better protection for their investments.

8. Dr LAM Tai-fai said that being the representative of the Functional Constituency-Industrial (Second), he was deeply concerned about the threats and losses inflicted on Hong Kong companies in Vietnam during the unfortunate incident. He urged the Administration to maintain close communication with the Central People's Government and the relevant authorities and business associations in Vietnam to take swift actions to protect the lives and properties of Hong Kong people and business community there. Dr LAM pointed out that due to the lack of an industrial policy in Hong Kong, Hong Kong's industrial sector had been forced to relocate their manufacturing operation to the Mainland and subsequently to the nearby ASEAN countries as a result of the rising production cost in the Mainland. He cautioned that similar outbreaks might flare up in other countries having territorial disputes with China such as the Philippines.

9. Mr Andrew LEUNG and Ms Emily LAU enquired about the number of Hong Kong residents and companies in Vietnam. Pointing out that the Central People's Government had evacuated mainland workers in some provinces in Vietnam, Mr LEUNG and Ms LAU enquired about the Administration's assessment of the situation in Vietnam and whether it would be necessary to evacuate Hong Kong residents there.

10. Mr YIU Si-wing remarked that as the situation in Vietnam was likely to remain uncertain in the next couple of months, the Administration should maintain close communication with the Central People's Government, the various Chinese and trade associations in Vietnam so that an accurate and timely assessment of the situation in various major cities in Vietnam could be made to facilitate rapid responses to changing circumstances. He also highlighted the importance of disseminating the latest information about the situation in Vietnam to travellers in advance.

11. SCED advised that according to the information provided by the trade, about 700 to 1 000 Hong Kong-invested companies were operating in Vietnam. These companies were mainly engaged in textiles, electronics, apparel and footwear manufacturing etc.. S for S said that the Administration did not have an official count of the number of Hong Kong people residing in Vietnam. The Administration had requested the Hong Kong-Vietnam Chamber of Commerce to help publicize to its members the Registration of Outbound Travel Information service provided by the HKSARG, and encourage them to make use of the service so that the Administration could disseminate the latest information and provide them with practical assistance in case of emergency. S for S added that the Chinese Embassy in Vietnam and the Consulate-General in Ho Chi Minh City had advised that Hong Kong residents could avail themselves of the evacuation transport provided by the Central People's Government for the mainland workers in Vietnam if necessary. He reiterated that as the international airports in Vietnam and flights between Hong Kong and Vietnam had maintained normal operation and seat availability had not been a concern, Hong Kong residents should not have particular difficulties in returning to Hong Kong for the time being. SCED and S for S assured members that the HKSARG would maintain close liaison with the relevant authorities in the Central People's Government, the Vietnamese Government, the various chambers of commerce, business associations and the trade in Vietnam to keep track of the latest development and to provide Hong Kong residents and business community there with the most up-to-date information and necessary support.

12. Mr CHUNG Kwok-pan expressed grave concern about the safety of Hong Kong residents and businessmen in Vietnam and criticized the Administration for not making prompt announcement through the media the HKSARG's assistance plan for Hong Kong people and business community in Vietnam. Citing a case that a Hong Kong company in Vietnam was unable to secure protection from the local police force against the protestors, Mr CHUNG urged the Administration to request the Vietnamese Government to take concrete and effective measures to protect the lives and properties of Hong Kong residents and companies there.

13. S for S advised that the HKSARG would collaborate with the Chinese Embassy in Vietnam to ensure the safety of Hong Kong residents in Vietnam. He said that the Chinese Minister of Public Security Guo Shengkun called the Vietnamese Minister of Public Security Tran Dai Quang on 17 May 2014 to urge the Vietnamese Government to take effective measures to stop violent activities and protect the lives and properties of Chinese residents and companies in Vietnam. S for S also advised that he met the Consul General of Vietnam on 16 May 2014, urging the Vietnamese Government to

undertake all necessary measures to protect the lives and properties of Hong Kong residents, including the Hong Kong business community and corporate personnel there. He added that the Vietnamese Government had already taken appropriate actions to curb the riots as no serious incidents were reported on 18 May 2014.

14. On the trade and commerce front, SCED said that he had requested a meeting with the Minister of Industry and Trade of Vietnam during the Meeting of Ministers Responsible for Trade of the Asia-Pacific Economic Cooperation in Qingdao. SCED said that he had expressed concern about the recent outbreak of protests and public disorder in Vietnam, and had urged the Vietnamese Government to take appropriate action to protect Hong Kong people and their properties in Vietnam, as well as to give positive response to possible demand for assistance and compensation from affected Hong Kong businessmen.

*Compensation for Hong Kong companies in Vietnam*

Admin

15. Mr SIN Chung-kai, Mr CHUNG Kwok-pan and Dr LAM Tai-fai suggested that the Administration should assess the losses suffered by individual Hong Kong companies resulting from physical damages of their factories and suspension of the factory's operation and should also represent these companies, in particular the small and medium enterprises ("SMEs") which lacked the manpower and resources to deal with the compensation issue, to claim for compensation from the Vietnamese Government at a Government-to-Government level. Mr SIN requested the Administration to report to the Panel the progress of its work in this regard in the future while Dr LAM urged SCED to pay a visit to Vietnam to obtain first-hand information on the situation there. The Chairman advised that when dealing with the compensation issue, the Administration should make reference to the way of handling by the Mainland and Taiwanese Governments

16. On behalf of the Civic Party, Dr Kenneth CHAN expressed concerns for Hong Kong residents and businessmen in Vietnam affected by the riots. In the light of the territorial disputes between China and some Asian countries, Dr CHAN was of the view that the Administration should consider putting in resources to develop a system to monitor social sentiments in the relevant countries and alert Hong Kong companies of any possible threats targeting Chinese in advance. Referring to the media reports that the recent riots in Vietnam were suspected to be acquiesced by the Vietnamese Government, Dr CHAN advised that the HKSARG should pursue the compensation issue with the Vietnamese Government on behalf of the affected Hong Kong businessmen in its capacity as the trade partner of

ASEAN, apart from following it up through the diplomatic channel.

17. SCED advised that according to the information provided by the Hong Kong Business Association Vietnam, among its 300 plus corporate/individual members, eight of them had their factories in Ha Tinh Province and Binh Duong Province damaged to different extent. Some of these factories had resumed operation. He had personally called the owner of one of the affected factories with relatively more serious damages and was told that the HKSARG's assistance in resuming the operation of the factory or in seeking compensation was not necessary for the time being. SCED said that the Director of the Hong Kong Economic and Trade Office in Singapore would soon visit the affected Hong Kong-invested factories in Vietnam to get first-hand information about the impact of the protests on business operation there and provide the companies concerned with the necessary assistance. He added that any request for compensation should be initiated by the companies concerned and the relevant claims would be handled in accordance with the local legislation in Vietnam.

18. The Chairman requested the Administration to consider disseminating useful information, such as the telephone numbers of local police stations in various cities in Vietnam, to Hong Kong people and companies there to facilitate their seeking of necessary assistance in case of emergency. SCED noted the suggestion and advised that the assistance of the chambers of commerce and business associations had been enlisted in disseminating contact details of the ImmD and the Chinese Embassy in Vietnam.

*Summing up*

19. The Chairman thanked SCED and S for S for attending the meeting of the Panel and furnishing the Panel with a paper on the incident in Vietnam on such a short notice. He urged the Administration to follow up closely on the aftermath of the incident and update the Panel should there be any new developments on the situation in Vietnam.

**V. Promotion of intellectual property trading in Hong Kong**

(LC Paper No. CB(1)1420/13-14(04) -- Administration's paper on promotion of intellectual property trading in Hong Kong

LC Paper No. CB(1)1420/13-14(05) -- Paper on promotion of intellectual property trading in Hong Kong prepared by the Legislative Council Secretariat (updated background brief)

(The Deputy Chairman took over the chair at this juncture).

Presentation by the Administration

20. At the invitation of the Deputy Chairman, SCED briefed members on the progress of the Working Group on Intellectual Property Trading ("the Working Group") as detailed in the Administration's paper (LC Paper No. CB(1)1420/13-14(01)).

21. SCED said that since its establishment in May 2013, the Working Group had focused on devising a strategic framework ("the Framework") for driving the development of Hong Kong as an IP trading hub. Taking into account relevant stakeholders' views received during various briefing sessions, the Working Group had refined and promulgated the Framework covering four strategic areas in November 2013 as a basis for exploring specific policies and support measures to forge ahead the promotion of Hong Kong as an IP trading hub. Recognizing the importance of providing highly specialized IP intermediary services in Hong Kong, two sub-groups were formed under the Working Group in the latter half of 2013 to start early dedicated discussion on the specialized subjects of IP valuation, as well as IP arbitration and mediation respectively, which were two key subjects under Strategic Area (III) of the Framework on fostering IP intermediary services and manpower capacity. SCED added that in 2014, the Working Group would continue to explore specific policies and support measures for various focus strategies in the four strategic areas that underpinned the Framework with a view to making specific recommendations.

Discussion

*Focusing efforts on selected industries with great potential for IP trading*

22. Pointing out that IP trading would entail a wide range of highly specialized IP intermediary services, such as IP valuation, for which the kind of expertise required might vary according to industries, Mr CHUNG Kwok-pan suggested that as a start the Administration should target a few industries with good potential for IP trading.

23. SCED responded that IP valuation was neither trade-specific nor product-specific, and was closely intertwined with other IP intermediary services such as IP financing, IP insurance, etc. In particular, IP valuation, being a means to quantify the economic worth of intangibles, was an essential building block for the development of other IP intermediary services in trading activities. He said that a well-recognized IP valuation system that aligned with international standards could help attract companies from different sectors to make use of Hong Kong as the trading platform of their IPs. SCED added that the sub-group on IP valuation supported a proposal of developing IP valuation reporting standards for Hong Kong, and would look into the possible way to take the issue forward in the Hong Kong context.

*Collaboration with Mainland cities on promotion of IP trading*

24. Mr Jeffrey LAM commended the work of the Administration in fostering the development of IP trading in Hong Kong. He advised that with the huge hinterland of the Mainland, Hong Kong should leverage on its advantage as the gateway to China and collaborate with neighbouring countries and cities, in particular cities in the Mainland, to develop IP trading and to brand Hong Kong as a regional IP trading hub. He was keen that the promotion of IP trading would spur the development of innovation and technology, and complement the development of industries in Hong Kong.

25. SCED said that Hong Kong had long been involved in IP trading activities. Branding Hong Kong as a regional IP trading hub was important to educate and focus market players both local and overseas on the benefits and opportunities offered by Hong Kong in this area, as well as to attract overseas/Mainland IP creators and users, and IP intermediaries to use Hong Kong as a marketplace. The Administration would continue to collaborate with the Mainland, overseas and international IP authorities in fostering the development of IP trading in Hong Kong. He added that IP trading could foster the customization of innovations and the commercialization of R&D results, which would in turn facilitate the upgrading of the industries in Hong Kong. The Working Group had set out an overarching vision of building up the necessary clusters conducive to the development of IP trading in Hong Kong to drive innovation and growth.

*Hong Kong's positioning on IP trading*

26. Mr Charles MOK commented that the strategies proposed under each of the areas of the Framework in the Administration's paper were vague. He said that a concrete two- to five-year work plan setting out specific policies and support measures should be drawn up to drive the promotion of Hong

Kong as an IP trading hub. Due consideration should be given to building up an ecosystem conducive to IP trading, such as the nurturing of talents required for the delivery of IP intermediary services, when mapping out the relevant work plan. At the same time, the Administration should look into the career development opportunities for Hong Kong professionals, such as those in the innovation and technology sector, to be brought about by the development of IP trading. Mr MOK also suggested that a study should be conducted to compare Hong Kong's performance in IP trading with those in neighbouring cities so as to provide a basis for ascertaining Hong Kong's positioning in the development of IP trading. Mr SIN Chung-kai considered that the Administration should collect relevant statistical information on IP trading-related activities to analyse the competitive edge of Hong Kong in terms of IP trading against its potential competitors in the region, such as Singapore, to facilitate the formulation of relevant strategies.

27. SCED advised that the Administration had been working to build and implement an Original Grant Patent ("OGP") system in parallel with the existing re-registration system to enhance the IP protection regime in Hong Kong. Subject to the progress of implementation work and legislation in the future, the Administration aimed to launch the OGP system in 2016-2017 at the earliest. He said that the presence of high-quality IP intermediary services would encourage IP trading through minimizing the risks involved while maximizing the benefits and potentials of IP transactions, thereby providing a clustering effect for the development of an IP trading hub. The Working Group would further look into and formulate specific measures to encourage the provision and development of those specialized IP intermediary services, namely IP valuation, IP insurance, IP financing, IP due diligence, etc in Hong Kong.

28. On the comparison of Hong Kong's IP trading performance with its regional competitors, SCED said that at present, Shanghai, Beijing and Singapore had been engaging in IP trading activities and aspired to develop into IP trading centres. The Intellectual Property Department ("IPD") would commission a survey on IP activities and trading in Hong Kong for providing statistical and other relevant data to support the work of the Working Group in forging ahead the development of Hong Kong as an IP trading hub. Director of Intellectual Property added that more than 2 400 companies were expected to be interviewed in the survey to collect data on the current position of IP trading activities in Hong Kong which would include, among other things, the kinds of IP intermediary services being provided and the contribution of IP trading to Hong Kong's economy. The Administration undertook to report to the Panel the findings of the survey and compare them with the relevant statistics of other jurisdictions promoting IP trading in the region as appropriate.

*IP arbitration and mediation*

29. Mr Dennis KWOK urged the Administration to strengthen collaboration with the Hong Kong International Arbitration Centre ("HKIAC") to promote IP as a subject matter of its services, and to provide additional resources to support the work of HKIAC in promoting Hong Kong as an international arbitration centre. He enquired about the Administration's plan for promoting Hong Kong arbitration and mediation services to overseas countries in the coming year, and suggested that the Administration should strive to host more international arbitration conferences in Hong Kong to demonstrate to other countries Hong Kong's capability in dispute resolution.

30. SCED responded that as announced in the 2014 Policy Address, the Department of Justice ("DoJ") would implement a number of measures to promote Hong Kong as an international legal and dispute resolution services centre in the Asia Pacific region. A consultancy study on enhancing Hong Kong's position as a leading international arbitration centre in the Asia Pacific region would be conducted. This study would consider the strengths, weaknesses, opportunities and challenges in relation to Hong Kong's status as an international arbitration hub, particularly in the face of stiffening regional and international competition. The DoJ would also work closely with the legal professional bodies and the arbitration sector to enhance promotional efforts in the Mainland and around the world, particularly in emerging economies in Asia Pacific. Moreover, an Advisory Committee on Promotion of Arbitration chaired by the Secretary for Justice and with members drawn from the legal profession, the arbitration sector, (including arbitration institutions) and other related institutions would be established to step up the joint efforts between DoJ and the legal/arbitration sectors to foster the development of arbitration in Hong Kong. As part of its on-going effort in promoting Hong Kong as a centre for international legal and dispute resolution services in the Asia Pacific region, the DoJ would work with Mainland Authorities and the legal profession and arbitration institutions in Hong Kong to facilitate Hong Kong professionals to provide legal and dispute resolution services in the Mainland.

31. SCED added that Hong Kong's well established legal system had provided both advantages and opportunities for the development of IP arbitration and mediation services in Hong Kong. The concerned sub-group would continue to engage stakeholders to explore necessary measures specifically on IP arbitration and mediation. He indicated that the Commerce and Economic Development Bureau would collaborate with the DoJ in promoting Hong Kong as an international IP arbitration and mediation centre.

*Summing up*

32. The Deputy Chairman urged the Administration to take note of members' views expressed at the meeting and update the Panel on further progress in promoting the development of IP trading in Hong Kong.

**VI. Redevelopment of the IT systems of the Intellectual Property Department**

(LC Paper No. CB(1)1420/13-14(03) -- Administration's paper on redevelopment of the Electronic Processing Systems, E-filing System and Online Search System of the Intellectual Property Department)

Presentation by the Administration

33. At the invitation of the Deputy Chairman, Director of Intellectual Property ("DIP") briefed members on the proposal to redevelop the Electronic Processing Systems, E-filing System and Online Search System of the IPD to meet changing customer needs and evolving operational and information technology ("IT") requirements. DIP highlighted that the new integrated IT system would ensure sustainability of IPD's service, enable data sharing, and provide new and enhanced features to further improve operational efficiency. The redevelopment of the IPD IT systems would also provide the flexibility for interfacing with the future IT support required for the implementation of the new patent system in Hong Kong. In addition, better customer experience of e-filers would be brought about by more user-friendly interface with new and enhanced functions. Details of the proposal were set out in the Administration's paper (LC Paper No. CB(1)1420/13-14(03)).

Discussion

34. Mr Charles MOK supported the redevelopment of the aging IPD IT systems to optimize system performance and to meet IPD's operational needs and service users' requirements in the longer term. He enquired about the details of the enhanced system features and functions for members of the public using IPD's e-services after the implementation of the new IT systems. DIP responded that to meet customer's growing demands in using IPD's e-services, the new IPD IT systems would support different Internet web browsers (e.g. Chrome, Firefox and Safari in addition to Internet Explorer)

and operation system platforms (such as Mac OS and Android in addition to Microsoft Windows). New e-Payment methods by credit card or via PPS, as well as support for authentication methods other than e-certificate would also be introduced.

35. In response to Mr Charles MOK's concern about privacy and system security, Systems Manager (Contract Management and Information Technology), IPD confirmed that the estimated project cost had included expenditure for Security Risk Assessment and Audit as well as Privacy Impact Assessment.

36. Mr SIN Chung-kai supported the proposal to replace the aging IPD IT systems which had been launched in different phases since January 2003. Referring to the tentative roll-out of Phase 1 of the new system in 2017, Mr SIN questioned the long lead time required for the design and development of the system, and was concerned that the new system would be technologically out-of-date by the time the project was completed.

37. In response, DIP advised that the tentative implementation schedule of the proposed project was drawn up taking reference from previous experience in procuring and developing a new IT system. Subject to the funding approval of the Finance Committee in June 2014, IPD would commence the tender exercise in July 2014. The tender document was expected to be finalized between March and May 2015 after consultation with the Department of Justice and the Central Tender Board. Following the two-month tender period, IPD would assess the tenders received aiming to award the contract between August and October 2015. The project would be implemented in two phases and the five sub-systems were expected to roll out in phases in March 2017 and March 2018 respectively.

38. The Deputy Chairman concluded that the Panel generally supported the proposed redevelopment of the IPD IT systems, as well as the submission of the funding proposal to the Finance Committee for approval.

## **VII. Any other business**

### Proposed duty visit to Israel

39. The Deputy Chairman informed members that at the informal meeting with the Consul General of Israel in Hong Kong Special Administrative Region ("SAR") and Macau SAR held on 17 April 2014, it was agreed that the proposed duty visit to Israel be tentatively scheduled for 3 to 8 August

2014. As the Panel Chairman had subsequently advised that he would not be able to participate in the visit due to clashes with other commitments, members' views were sought on whether the proposed visit should proceed as scheduled or be postponed to a later date.

40. Mr Charles MOK said that it was undesirable to undertake the visit at a time when the Panel Chairman was unable to participate. He said that he had no strong views on the dates of the visit as long as more members can take part in the visit. Ir Dr LO Wai-kwok and Mr SIN Chung-kai expressed a similar view and considered that there was no urgency for the visit to take place in the current session. The Deputy Chairman requested the Clerk to convey members' views for the Chairman's consideration.

*(Post-meeting note: On the instruction of the Panel Chairman, a circular was issued vide LC Paper No CB (1)1472/13-14 seeking members' views on the way forward for the proposed visit. A majority of Panel members had indicated their support for the visit to proceed as scheduled from 3 to 8 August 2014. The visit was also open to non-Panel members.)*

41. There being no other business, the meeting ended at 4:30 pm.