

**立法會**  
**Legislative Council**

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**Subcommittee on Patents (General) (Amendment) Rules 2019**

**Background Brief**

**Purpose**

This paper provides background information on the Patents (General) (Amendment) Rules 2019 ("PGAR"). It also summarizes the views expressed by members of the Bills Committee on Patents (Amendment) Bill 2015 ("the Bills Committee") and the Panel on Commerce and Industry ("the Panel") during previous discussions on the subject.

**Background**

2. In 2013, the Administration announced its policy decision to establish an Original Grant Patent ("OGP") system in Hong Kong, refine the existing short-term patent<sup>1</sup> ("STP") system and develop a full-fledged regulatory regime on patent agency services in the long run, which has to be achieved in stages, with interim measures (collectively referred to as "the new patent system").

3. The Patents (Amendment) Ordinance 2016 ("the Amendment Ordinance") was enacted in 2016 to amend the Patents Ordinance (Cap. 514) to provide for the essential legal framework for the new patent system. The Amendment Ordinance will come into operation on a day to be appointed by the Secretary for Commerce and Economic Development by gazette notice. The main provisions of the Amendment Ordinance include:

- (a) introduction of an OGP route for granting standard patents;<sup>2</sup>

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<sup>1</sup> Short-term patents have a maximum term of eight years.

<sup>2</sup> The new Original Grant Patent system will run in parallel with the existing "re-registration" system for the grant of standard patents for a maximum term of 20 years.

- (b) refinements to the STP system by providing for post-grant substantive examination of STPs and making other technical amendments;
- (c) prohibition of the use of certain titles and descriptions in providing patent agency services as an interim regulatory measure; and
- (d) amendments to make the policy intent clear that inventions relating to second or further medical uses could be regarded as new and thus patentable, and also to address other technical, transitional and miscellaneous matters.

4. The enactment of the Amendment Ordinance represents the completion of a critical, first step in revamping the local patent system. For the new patent system to be rolled out as scheduled in 2019, the next step is to amend the Patents (General) Rules (Cap. 514C) ("PGR") so as to provide for the detailed procedural framework concerning applications for grants of patents under the new patent system (including the fees for new chargeable services that will become available under the new patent system) and also post-grant substantive examination of STPs.<sup>3</sup>

### **Patents (General) (Amendment) Rules 2019**

5. PGAR, made by the Registrar of Patents ("the Registrar"), was gazetted on 15 March 2019 and tabled at the Legislative Council ("LegCo") meeting of 20 March 2019. The legislative amendments to PGR cover the following key areas:

- (a) detailed requirements and procedures relating to the filing and the examination of OGP applications;
- (b) detailed requirements and procedures for post-grant substantive examination of STPs;
- (c) fees chargeable under the new patent system; and
- (d) other consequential or technical amendments.

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<sup>3</sup> Other major tasks include the drawing up of examination guidelines and workflows to be adopted by the Patents Registry in processing patent cases under the new patent system; the expansion of the Patents Registry by recruiting additional patent examiners with appropriate training for the new recruits; the setting up of a new electronic processing system; and the publicity.

6. Details of the legislative amendments are set out in paragraphs 7 to 14 of the Legislative Council Brief (File Ref. CITB 06/18/23). Subject to negative vetting by LegCo, PGAR will come into operation on a date to be appointed by the Registrar by gazette notice, which will tie in with the commencement date of the Amendment Ordinance.

### **Major views expressed by members of the Bills Committee on Patents (Amendment) Bill 2015 and the Panel on Commerce and Industry**

7. The Panel was consulted on the relevant proposed legislative amendments to PGR on 19 June 2018. Members of the Bills Committee also expressed views on the operation of the new patent system. The major views and concerns expressed by members of the Panel are summarized in the ensuing paragraphs.

#### The need to nurture a strong patent profession

8. Members of the Bills Committee considered that the Administration should, in respect of the new patent system, develop indigenous full searching and examining capability in line with the international standards for a full spectrum of technology as soon as possible, and devise a long-term plan for the potential manpower demand. At the Panel meeting on 19 June 2018, Panel members sought details of the Administration's plan in the next five to 10 years on the grooming of local patent talents in conducting substantive examination of patent applications and supporting the operation of the new patent system.

9. The Administration advised that the development of human capital for the patent industry would very much depend on the number of OGP applications received and the technical areas involved in such applications. The Administration would also liaise with State Intellectual Property Office of the Mainland ("SIPO") (which accepted both Chinese and English applications and had topped among the worldwide patent authorities on the number of filings of patent applications since 2011) on the manpower training for the Intellectual Property Department under the new patent system. As a strong patent profession was a complementary component to the OGP system, a full-fledged regulatory regime covering aspects such as the establishment of a professional regulatory body, accreditation, use of titles, professional discipline, training, service monopoly, and statutory backing should be developed in the long run.

#### Setting up of the Patent Prosecution Highway

10. At the Panel meeting on 19 June 2018, members enquired about the progress of setting up the Patent Prosecution Highway ("PPH") with other patent offices to expedite the examination procedures of patent applications. The

Administration advised that it was essential for a patent authority to build up its international credibility in patent examination to facilitate its discussion with other patent authorities for pursuing PPH. Accordingly, the Administration would continue to work in full swing to prepare for the implementation of the new patent system as soon as possible, and would make its best to build up the track-record and reputation of Hong Kong's patent authority. Besides, the Administration would explore with SIPO on the possibility of setting up PPH or arrangements of similar effects.

### Fee level and structure

11. At the said Panel meeting, in response to some members' enquiry on the competitiveness of the proposed fee level,<sup>4</sup> the Administration advised that it had studied the fees chargeable by several major patent offices outside Hong Kong (including the European Patent Office and the respective patent offices in Australia, Mainland China, Singapore and the United Kingdom), and considered that the fees proposal for the chargeable services under the new patent system were in general competitive among these places. Besides, the major local professional/representative bodies of patent practitioners were generally supportive of the proposed legislative amendments, including the fees proposal.

12. Referring to the Administration's proposal of introducing preferential fees for electronic filing of patent applications by a fee reduction of about 28% whereas flat rates were applied to both paper-filings and electronic filings of patent applications currently, members enquired about the rationale behind such proposal.

13. The Administration advised that the proposed preferential fees for electronic filing of patent applications sought to encourage and promote filing of patent applications through electronic means, which was more cost-effective. As regards the proposed 3-tier progressive annual renewal rates for standard patents, the proposed change was in line with the prevailing international practice concerning patent renewal, and aimed to reduce the cost of patent renewal during the early period of patented inventions while discouraging unnecessary prolongation of the protection term of those patented inventions with little/diminishing market or commercial exploitation value.

14. Some members of the Bills Committee suggested that in order to enable Hong Kong to develop into a regional patent registration centre, the Administration should, apart from negotiating for bilateral and multilateral patent application facilitation arrangements such as PPH, consider providing subsidies for patent applications under the OGP route at the initial stage of the operation of the new patent system. The Administration responded that the Patent Application Grant

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<sup>4</sup> The full list of modified fees for existing items and proposed new fees under the new patent system are at Annex A to the Administration's paper (LC Paper No. CB(1)1097/17-18(07)).

administered by the Innovation and Technology Commission had been providing subsidy to locally incorporated companies and individual applicants for their first-time patent application(s) in the maximum amount of 90% of the total direct cost of such first-time patent application(s), subject to a cap of HK\$250,000 per application for subsidy.

### **Latest development**

15. At the House Committee meeting held on 22 March 2019, Members agreed to form a Subcommittee to study PGAR.

### **Relevant papers**

16. A list of relevant papers is in the **Appendix**.

Council Business Division 1  
Legislative Council Secretariat  
1 April 2019

## List of relevant papers

Date of meeting	Meeting	Minutes/Paper
1/6/2016	Council	Report of the Bills Committee on Patents (Amendment) Bill 2015 ( <a href="#">LC Paper No. CB(1)972/15-16</a> )
19/6/2018	Panel on Commerce and Industry	Administration's paper on "Proposed Amendments to the Patents (General) Rules for Implementing the New Patent System" ( <a href="#">LC Paper No. CB(1)1097/17-18(07)</a> )  Updated background brief on progress of implementation of the patents reform prepared by the Legislative Council Secretariat ( <a href="#">LC Paper No. CB(1)1097/17-18(08)</a> )  Minutes of meeting ( <a href="#">LC Paper No. CB(1)1343/17-18</a> )
13/3/2019 (issue date)	Legislative Council Brief	Legislative Council Brief on "Patents (General) (Amendment) Rules 2019" issued by the Commerce and Economic Development Bureau ( <a href="#">File Ref.: CITB 06/18/23</a> )
22/3/2019	House Committee	Legal Service Division Report on Subsidiary Legislation Gazetted on 15 March 2019 ( <a href="#">LC Paper No. LS59/18-19</a> )