

立法會
Legislative Council

LC Paper No. CB(1) 438/02-03

Ref : CB1/SS/2/02

**Paper for the House Committee meeting
on 6 December 2002**

**Report of the Subcommittee on
Patents (General) (Amendment) (No. 2) Rules 2002**

Purpose

This paper reports on the deliberations of the Subcommittee on Patents (General) (Amendment) (No. 2) Rules 2002 (the Amendment Rules).

Background

2. Under the Patents Ordinance (Cap. 514) (the Ordinance), the proprietor of a patent granted under the Ordinance may apply to the court to amend the specification of the patent; and the court may by order allow any such an amendment subject to such conditions as it thinks fit. Upon the making of the court order, the patent proprietor is required under the Ordinance to file a copy of the order with the Registrar of Patents (the Registrar), failing which no damages will be awarded in proceedings for patent infringement. Section 39(1) of the Patent (General) Rules (Cap. 514 sub. leg) (the Rules) requires the patent proprietor to file with the Registrar notice of amendment of specification of the patent within one month of the making of the court order.

3. According to the Administration, the time limit is problematic as it is non-extendible. If the patent proprietor fails to file the notice of the court order within the time limit, the Registrar will have no legal authority to record the amendment to the specification and make it public. The patent proprietor has no recourse to remedy the situation even though the court order remains valid. This defeats part of the purpose of the Register of Patents as a tool for disseminating up-to-date and reliable patent information. Besides, the provisions under section 81(5) of the Ordinance that no damages shall be awarded in any proceedings for an infringement of the patent committed after the date on which the order is made and before a copy of the order is filed with the Registrar should provide sufficient incentive for the patent proprietor to file the notice in a timely manner. Accordingly, the Administration considers the one-month time limit unnecessary.

The Amendment Rules

4. The Amendment Rules seek to amend section 39 of the Rules to -
 - (a) remove the one-month time limit for filing the notice of amendment of specification in sub-section (1); and
 - (b) align the wording with section 46 of the Ordinance.

The Amendment Rules will come into operation on 20 December 2002.

The Subcommittee

5. Members agreed at the House Committee meeting on 8 November 2002 to form a Subcommittee to study the Amendment Rules. Under the chairmanship of Hon Margaret NG, the Subcommittee has held two meetings. The membership list of the Subcommittee is at **Appendix I**. Apart from examining the Amendment Rules with the Administration, the Subcommittee has also invited views from the trade. Four groups have made written and/or oral representation to the Subcommittee. A list of these groups is at **Appendix II**.

6. To allow sufficient time for the Subcommittee to study the Amendment Rules, Members passed a motion at the Legislative Council (LegCo) meeting on 20 November 2002 to extend the scrutiny period of the Amendment Rules to 18 December 2002.

Deliberations of the Subcommittee

Propriety of the Amendment Rules

7. Doubt has been cast on the propriety of introducing the Amendment Rules at this stage to remove the one-month time limit under section 39(1) of the Rules given a pending appeal case where one of the major legal arguments is whether the provision is ultra vires. Members have also expressed dissatisfaction that the Administration failed to mention the appeal case in the LegCo Brief on the Amendment Rules. Members have urged the Administration to avoid similar recurrences in future.

8. According to the Administration, the Registrar is entitled to make amendments to the Rules by virtue of section 149 of the Ordinance. The Amendment Rules do not have any retrospective effect and do not affect the rights of the parties to the appeal case before the commencement of the Amendment Rules. Given that the time limit is problematic, and that amendment will still be made to remove the time limit provision as a matter of

practice even if the court rules the provision ultra vires, the Administration holds the view that the court case is irrelevant and need not to be mentioned in the LegCo Brief. It also considers that it is not appropriate for details of an on-going court case to be disclosed in the LegCo Brief. Nevertheless, the Administration agrees to the need to mention in the LegCo Brief any pending court case which is relevant to the legislative amendment in question.

9. While acknowledging that the court's decision on whether section 39(1) of the Rules is ultra vires may virtually have no legal implications on the rights of patent proprietors as those who have failed to file notices of amendment in time can do so after the removal of the time limit, a member points out that this may not be the case in other situations. As such, the Administration should avoid in future making any legislative amendment before the conclusion of a relevant court case.

Removal of the one-month time limit

10. According to the trade, the one-month time limit for filing the notice of court order for amendment of patent specification has created unnecessary hardship on patent proprietors, many of whom are overseas multi-national corporations, which have to instruct lawyers or patent agents in Hong Kong to process the application. The taking, issuance and receipt of instructions may involve several parties which will take time even with the availability of modern means of communication. Failure to file the notice with the Registrar in time will give rise to uncertainty on the effect of the court order and affect prospective patent users, licensees and the general public who may need to ascertain the existence of relevant prior arts for research purposes. The proposed removal of the one-month time limit is therefore a step in the right direction.

11. While acknowledging the trade's support for the proposed removal of the one-month time limit, concern has been raised by members that such a removal may defeat the policy intent of requiring patent proprietors to file notices of amendment of specification of patent in a timely manner. Any delay will affect the ability of the Register of Patents to disseminate up-to-date and reliable patent information to the public, which in turn may cause unnecessary loss to those who may need to ascertain the existence of relevant prior arts for research and investment purposes. The proposed removal may also undermine the balance of the entire patent regime where time is the crucial factor. The Administration's explanation is that while the original policy intent of the time limit is to ensure timely registration of amendment of patent specification, there are practical difficulties in complying with the requirement. If the time limit is not removed and the court order allowing the amendment is not filed within time, there will exist a valid but unregistered court order of which the Registrar cannot act.

12. Members opine that if it is a matter of practicality, consideration should be given to reasonably extending the time limit or vesting with the Registrar a discretionary power to do so. According to the Administration, it has carefully

examined this option before making the amendments but concluded that this cannot solve the problem because a power to extend the time limit must include the power not to extend it. If the Registrar exercises the power not to extend the time limit in any particular case, the patent proprietor cannot file the relevant court order and therefore cannot recover damages from any infringement of the patent committed after the court order is made. The patent proprietor has no recourse to remedy this situation. Besides, it is not meaningful to provide for the discretion to extend the time limit when the intention is to accept the filing even though the time limit has exceeded.

13. While some members consider it inappropriate to remove the one-month time limit before conclusion of the appeal case as a matter of principle, others support the removal as soon as practicable to enable patent proprietors who fail to file notices of amendment of patent specification within the time limit to claim damages for any infringement committed during the interim pending conclusion of the court case.

Need for a comprehensive review of existing provisions

14. During the course of deliberation, the Subcommittee's attention has been drawn to the problems relating to other provisions for processing amendment of specification of patent. These include section 35(1) of the Rules which requires a patent proprietor to make amendments of specification of the patent in Hong Kong corresponding to any amendments made in the designated patent office following opposition or revocation proceedings within three months from the date of amendment in the designated patent office by filing a verified copy of the amended specification. Given that the obtaining of originals of the necessary patent documents from the relevant designated patent office may take considerable time, many patent proprietors are unable to complete the application within the three-month time limit which is also non-extendible. To this end, there has been call for legislative amendment to be made to change the time limit from three to six months as an interim measure pending an overall review. The trade also considers that the applicability of Order 103 of the Rules of the High Court (Cap. 4 sub. leg.) should be reviewed to deal with proceedings relating to objections to the validity of a patent under the Ordinance.

15. The Subcommittee concurs that there is need for a comprehensive review of the existing regime on amendment of patent specification in consultation with the trade. Reference should be made to overseas practices as to how they can ensure timely registration of amendment of patent specification and whether there is a time limit for registration as well as the consequences in the event of failure to do so. According to the Administration, it is liaising with the trade on the review. Members request that the Administration should report the outcome of the review to the relevant Panel for necessary follow up.

Conclusion

16. The Subcommittee considers that all aspects of the Amendment Rules have been fully deliberated. It will be for individual Members to decide whether or not to support the Amendment Rules.

Advice sought

17. Members are invited to note the deliberations of the Subcommittee.

Council Business Division 1
Legislative Council Secretariat
5 December 2002

Subcommittee on Patents (General) (Amendment) (No.2) Rules 2002

Membership list

Chairman Hon Margaret NG

Members Hon Cyd HO Sau-lan
Dr Hon LUI Ming-wah, JP
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon HUI Cheung-ching, JP
Hon CHAN Kam-lam, JP
Hon SIN Chung-kai
Hon Miriam LAU Kin-yee, JP
Hon Audrey EU Yuet-mee, SC, JP

(Total : 9 members)

Clerk Mr S C TSANG

Legal Adviser Miss Connie FUNG

Date 14 November 2002

**A list of deputations
which have made oral and / or written presentation to the Subcommittee**

1. The Hong Kong Institute of Trade Marks Practitioners
2. Asian Patent Attorneys Association Hong Kong Group
3. The Law Society of Hong Kong
4. Hong Kong Bar Association