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Panel on Commerce and Industry

Meeting on 19 February 2013

Updated background brief on the patent registration system in Hong Kong

Purpose

This paper provides background information on the patent registration system in Hong Kong and a summary of views and concerns expressed by Members during previous discussions on the subject.

Background

2. Patents protect inventions by giving the patent owner a legal right to prevent others from manufacturing, using, selling or importing the patented invention. The Patents Ordinance (Cap. 514) provides for the relevant requirements under the patent registration system in Hong Kong. Under the current "re-registration system" in Hong Kong, the Hong Kong Patents Registry, for the purpose of granting a patent, will verify the documents and information submitted to ensure that the registration requirements are met. It does not conduct substantive examination, i.e. it does not assess whether the invention is novel, involves an inventive step and is susceptible to industrial applications. There are two types of patent in Hong Kong, namely, standard patent and short-term patent.

3. Standard patents obtained in Hong Kong are based on a patent granted by one of three "designated patent offices". These "designated patent offices", which adopt the "original grant" patent (OGP) system, are the State Intellectual Property Office (SIPO), the United Kingdom Patent Office and the European Patent Office. The application process involves two stages. At stage one, the applicant has to file a "request to record" in Hong Kong within six months after the date of publication of the corresponding application in a "designated patent

office". At stage two, the applicant has to file a "request for registration and grant" in Hong Kong within six months after the date of grant of the designated patent by the "designated patent office" or publication of the "request to record" in Hong Kong, whichever is later. The Hong Kong Patents Registry will normally grant the patent within a few months after receiving the relevant certifying document from the "designated patent office". A standard patent may remain in force for a maximum term of 20 years.

4. As for the short-term patent, the applicant files the application direct with the Hong Kong Patents Registry without having to go through a "designated patent office". The applicant will need to submit a search report prepared either by one of the "designated patent offices" or by any International Searching Authority appointed pursuant to Article 16 of the Patent Co-operation Treaty. The Hong Kong Patents Registry will grant the short-term patent after satisfying itself that the information required is fully furnished. Such a process normally takes a few months. A short-term patent may remain in force for a maximum term of eight years.

Review of and consultation on the current patent system in Hong Kong

5. In recognition that the current patent system in Hong Kong had been in place for more than a decade, the Administration decided to conduct a comprehensive review of the system, taking into account the latest international developments in patent protection, so as to ensure that the system would continue to meet present-day circumstances, and that its further evolution would complement efforts made to develop Hong Kong into a regional innovation and technology hub. A consultation paper for this purpose was issued on 4 October 2011 to seek public views on the future positioning of the patent system in Hong Kong, including but not limited to the following –

Standard patents

- (a) whether an 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 was 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.

6. The Panel on Commerce and Industry (the Panel) was briefed on the scope of the review of the patent system and the related work plan as well as the key points of the consultation exercise at its meetings on 17 May and 19 November 2011. The Panel was also updated on the progress of the review on 19 June 2012.

Previous discussions

7. Members have discussed in various forums issues relating to the patent registration system in Hong Kong since 2009. The major views and concerns expressed by Members are summarised in the ensuing paragraphs.

The need to set up an "original grant" patent system in Hong Kong

8. At Council meetings on 9 December 2009 and 11 May 2011, questions were raised by Hon WONG Ting-kwong and Dr Hon PAN Pey-chyou respectively, calling for a review of the current registration system and the introduction of an OGP system in Hong Kong. Dr Hon Samson TAM Wai-ho moved a motion on "Studying the establishment of an innovation and technology bureau" at the Council meeting on 6 July 2011, urging the Government to, inter alia, expeditiously reform Hong Kong's existing patent application system, including considering the progressive introduction of an OGP system. The motion as amended by Dr Hon PAN Pey-chyou and Hon Emily LAU Wai-hing was passed. During the Legislative Council's Motion of Thanks debate on the Policy Address at Council meeting on 26 October 2011, Hon WONG Ting-kwong called for the setting up of an OGP system to dovetail with the unique features of local industries and foster the development of creative industries in Hong Kong.

9. Some Panel members made similar calls for the introduction of an OGP system in Hong Kong when the Panel was briefed on the review of the patent system at the Panel meetings on 15 November 2011 and 19 June 2012. These members considered that the introduction of an OGP system could complement the efforts being made to encourage more entrepreneurs to use Hong Kong as a

launching pad for their research and development businesses, thereby fortifying the further development of Hong Kong as a regional innovation and technology hub. They were of the view that an OGP system in Hong Kong would help stimulate the growth of patent agency business in Hong Kong, build up local expertise in drafting and processing patent applications, and offer added career opportunities for graduates with science and technical background.

Re-registration system

10. Some Panel members however expressed reservation as to whether there would be sufficient demand for sustaining a cost-effective OGP system. Noting that an OGP system might incur higher registration fees compared with the current "re-registration" system, these members were concerned whether increase in the business operating cost would affect the competitiveness of Hong Kong enterprises. They were of the view that the current "re-registration" system should be retained alongside the OGP system, as a dual system would give users the added choice of applying for a standard patent in Hong Kong direct or through "re-registration" depending on the market and operation needs. Suggestion was also made to expand the list of "designated patent offices" to include the patent offices of other jurisdictions, such as the United States and Japan.

Substantive examination of patent applications

11. The Panel noted that if an OGP system was to be set up in Hong Kong, recourse to domestic substantive examination would not be viable at the initial stage in view of the significant outlays involved. Some Panel members opined that in the short to medium term, the Administration should outsource the substantive examination of patent applications to other examination authorities while exploring the possibility of developing in-house substantive examination in the long run. The Administration was urged to explore the possibilities of fostering mutual recognition of patents between Hong Kong and the Mainland under the Mainland and Hong Kong Closer Economic Partnership Arrangement. Suggestions were also made for the Administration to consider other possible options, including using SPIO's data base, entrusting substantive examination of patent applications to SPIO or sharing the work between the two places, so as to help save costs for and facilitate users.

Resources for processing patent registration

12. At the Panel meeting on 17 May 2011, the Panel noted that of the 11 702 applications for standard patents, only 5 353 standard patents had been granted in 2010. Some Panel members expressed concern over whether the low success rate was due to insufficient resources allocated for the timely processing of patent applications. The Administration advised that many applications did

not proceed to grant because applicants who failed to obtain the grant of a patent by the "designated patent office" would not file the "request for registration and grant" at stage two. Some other cases involved withdrawal by the applicants.

Regulation of patent agency services

13. During the discussion at the Panel meeting on 15 November 2011, some Panel members expressed support for the regulation of the provision of patent agency services. As the drafting of claims and specifications for patent applications required specialized technical skills and knowledge, these members saw a need for a regulatory regime to enhance the credibility of the patent agency profession and provide better protection for patent owners.

Recent development

14. The Administration, in consultation with the Advisory Committee¹, was in the process of reviewing the views received during the review to decide on the future positioning of the patent system and how best to implement changes to the system, taking into account the arrangements in other jurisdictions.

Latest position

15. The Administration has proposed to brief the Panel on 19 February 2013 on the proposed way forward for reviewing the patent registration system in Hong Kong.

Relevant papers

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

Council Business Division 1
Legislative Council Secretariat
 7 February 2013

¹ Comprising legal professionals, patent practitioners, members of the academia, research and development and industrial sectors, and officials from the relevant government agencies.

Patent registration system in Hong Kong

List of relevant papers

Date of meeting	Committee	Minutes/Paper	LC Paper No.
9/12/2009	Council	Administration's written reply to a question by Hon WONG Ting-kwong	Hansard http://www.legco.gov.hk/yr09-10/english/counmtg/hansard/cm1209-translate-e.pdf
11/5/2011	Council	Administration's reply to a question by Dr Hon PAN Pey-chyou	Hansard http://www.legco.gov.hk/yr10-11/english/counmtg/hansard/cm0511-translate-e.pdf
17/5/2011	Panel on Commerce and Industry	Administration's paper Background brief Minutes of meeting	CB(1)2147/10-11(04) http://www.legco.gov.hk/yr10-11/english/panels/ci/papers/ci0517cb1-2147-4-e.pdf CB(1)2147/10-11(05) http://www.legco.gov.hk/yr10-11/english/panels/ci/papers/ci0517cb1-2147-5-e.pdf CB(1)2960/10-11 http://www.legco.gov.hk/yr10-11/english/panels/ci/minutes/ci20110517.pdf

Date of meeting	Committee	Minutes/Paper	LC Paper No.
6/7/2011	Council	Motion on "Studying the establishment of an innovation and technology bureau"	Hansard http://www.legco.gov.hk/yr10-11/english/counmtg/hansard/cm0706-translate-e.pdf
26/10/2011	Council	Motion of thanks	Hansard http://www.legco.gov.hk/yr11-12/english/counmtg/hansard/cm1026-translate-e.pdf
15/11/2011	Panel on Commerce and Industry	Administration's paper Updated background brief Minutes of meeting	CB(1)277/11-12(05) http://www.legco.gov.hk/yr11-12/english/panels/ci/papers/ci1115cb1-277-5-e.pdf CB(1)277/11-12(06) http://www.legco.gov.hk/yr11-12/english/panels/ci/papers/ci1115cb1-277-6-e.pdf CB(1)827/11-12 http://www.legco.gov.hk/yr11-12/english/panels/ci/minutes/ci20111115.pdf
19/6/2012	Panel on Commerce and Industry	Administration's paper	CB(1)2153/11-12(05) http://www.legco.gov.hk/yr11-12/english/panels/ci/papers/ci0619cb1-2153-5-e.pdf

Date of meeting	Committee	Minutes/Paper	LC Paper No.
		Updated background brief Minutes meeting of	CB(1)2153/11-12(06) http://www.legco.gov.hk/yr11-12/english/panels/ci/papers/ci0619cb1-2153-6-e.pdf CB(1)2493/11-12 http://www.legco.gov.hk/yr11-12/english/panels/ci/minutes/ci20120619.pdf