

For discussion on  
21 April 2015

**Legislative Council Panel on Commerce and Industry**

**Proposed Legislative Amendments to the Patents Ordinance**

**PURPOSE**

This paper briefs Members on the Government's legislative proposals to amend the Patents Ordinance, (Cap 514) ("Ordinance") to establish an "original grant" patent ("OGP") system, refine the existing short-term patent system and introduce an interim measure for regulating local patent practitioners.

**BACKGROUND**

**The current patent system in Hong Kong**

2. An invention which is new, involves an inventive step and is susceptible of industrial application can be patented in Hong Kong provided that it does not belong to the excluded classes.<sup>1</sup> A patent system encourages new technological innovations by granting patent owners the exclusive right to prevent others from manufacturing, using, selling or importing their patented inventions. Currently, two types of patents may be granted in Hong Kong under the Ordinance, namely standard patents and short-term patents.

*Standard patents*

3. Standard patents have a maximum term of 20 years. Under the patent regimes of many advanced overseas economies, standard patents are granted by their individual patent offices after "substantive examination" of the applications to ensure that the inventions meet the patentability requirements under their respective local laws. In Hong Kong, standard patents are currently granted based on a "re-registration"

---

<sup>1</sup> Section 93 of the Ordinance sets out the patentability requirements of an invention and the excluded classes. Examples of non-patentable subject matters include discoveries, scientific theories or mathematical methods; aesthetic creations; surgical or therapeutic methods for treatment of the human or animal body; and inventions the publication or working of which is contrary to public order or morality.

system, under which a patent will be granted if prior grant has been obtained in one of three “designated patent offices”, namely, the State Intellectual Property Office in Mainland China (“SIPO”), the United Kingdom (UK) Patent Office and the European Patent Office for patents designating the UK. The Hong Kong Patents Registry (“Registry”) only conducts “formality examination” by verifying the information and documents filed in support of the applications.<sup>2</sup> It will not conduct substantive examination as to whether the invention underlying a standard patent application fulfills the patentability requirements under our law.

### *Short-term patents*

4. Short-term patents have a maximum term of eight years. They offer protection for inventions with a shorter commercial life cycle. Currently, short-term patents are granted by the Registry upon formality examination of the applications. An applicant only needs to file a search report<sup>3</sup> in support of his application. No substantive examination is conducted in respect of the underlying invention.

### *Regulation of patent practitioners*

5. Currently, subject to limited regulations imposed by the Ordinance and its subsidiary legislation concerning agents for acts done in connection with a patent or patent application under the Ordinance,<sup>4</sup> there is generally no regulation of local patent practitioners. In this connection, a person is generally free to provide any patent agency service in Hong Kong or claim himself as a “patent agent”, “patent attorney” or the like.

---

<sup>2</sup> An application for a standard patent in Hong Kong is made in two stages: a request to record (filed within 6 months after the date of the publication of the corresponding patent application in a designated patent office); and subsequently a request for registration and grant (filed within 6 months after the date of grant of the patent by the designated patent office or publication of the request to record in Hong Kong, whichever is later).

<sup>3</sup> By an international search authority (such as patent offices of the US, Europe, China, the UK, and Australia).

<sup>4</sup> For example –

- (a) the Registrar of Patents (“Registrar”) shall refuse to recognize as an agent a person who neither resides nor has a place of business in Hong Kong (section 140(4) of the Ordinance);
- (b) the Registrar may refuse to recognize a person as an agent in respect of any business under the Ordinance or the Rules in certain circumstances, such as where the person has been convicted of a criminal offence, or where the person has been struck off the roll of barristers or solicitors (section 85(7) of the Patents (General) Rules).

## **Review of the local patent system**

6. To ensure that the local patent system would continue to meet present-day circumstances and that its further evolution would facilitate the development of Hong Kong into a regional innovation and technology hub, the Government commenced a review of the local patent system in October 2011. A three-month public consultation was launched and the Advisory Committee on Review of the Patent System in Hong Kong (“Advisory Committee”) was set up<sup>5</sup>.

### *The Advisory Committee’s recommendations*

7. Having carefully examined views received in the public consultation exercise and the relevant circumstances, the Advisory Committee submitted a report to the Government in December 2012 with the following key recommendations—

- (a) introducing an OGP system for standard patents, with substantive examination outsourced to other patent office(s) as the starting point, whilst retaining the current re-registration system for grant of standard patents;
- (b) retaining the short-term patent system with suitable refinements; and
- (c) developing a full-fledged regulatory regime on patent agency services in the long run, which has to be achieved in stages, with possible interim measures.

8. The Government accepted the recommendations and briefed Members accordingly in February 2013 (vide LC Paper No. CB(1)534/12-13(05)). With Members’ support, the Government has been following up with the implementation work, including the following tasks -

- (i) studying the patent systems, practices and procedures generally established in the international community;
- (ii) engaging a consultant to study important legislative and

---

<sup>5</sup> The Advisory Committee was tasked to advise the Government on –

- (a) how the Administration should position Hong Kong’s 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 patent system, in the light of decisions made by the Administration on the way forward.

technical issues in the course of formulating the framework of the OGP system;

- (iii) researching into and drafting the legislative proposals to amend the Ordinance;
- (iv) discussing with SIPO matters relating to substantive examination of patent applications and the training of personnel;
- (v) working with the Advisory Committee on implementation issues, notably the development of a full-fledged regulatory regime on patent agency services in the long run and suitable interim measures meanwhile; and
- (vi) planning the electronic system in support.

## **KEY LEGISLATIVE PROPOSALS**

9. The Government is now drawing up the legislative proposals to provide for the legal framework for implementing the recommendations as set out in paragraph 7 above.

10. In formulating the proposals, the Government has taken into account the patent systems, practices and procedures generally established in the international community, including Australia, the Mainland, Singapore and the UK, as well as several major regional and international patent treaties, such as the European Patent Convention and its Implementing Regulations, the Patent Co-operation Treaty and the Patent Law Treaty.

### *Introducing an OGP route for granting standard patents*

11. We propose to introduce new provisions into the Ordinance to allow an applicant to apply for a standard patent under a new OGP route along the lines set out in the following paragraphs. From the users' perspective, the main difference between this new OGP system and the existing "re-registration" system for standard patents (which will be retained) is that the OGP system would enable applicants to file patent applications directly in Hong Kong without first obtaining a patent in a designated patent office.

12. Upon receipt of an OGP application, the Registrar of Patents (“Registrar”) would conduct formality examination to ensure that the application is in order for publication. If the application fulfils the minimum filing requirements<sup>6</sup>, the Registrar would accord the date of filing. Thereafter, the Registrar would examine whether the application has also satisfied other formal requirements<sup>7</sup>. In the process, the Registrar would, if necessary, issue a deficiency notice to the applicant for rectifying any deficiency. Upon passing the formality examination, the application would generally be published 18 months after the date of filing (or, if priority has been claimed, the date of priority).

13. Following publication of the application, the Registrar, upon request by the applicant, would proceed with substantive examination to determine whether the application has satisfied the patentability requirements<sup>8</sup> for a patent grant. If a third party files observations with respect to an application within a prescribed period, such observations would also be considered by the Registrar during substantive examination. The Registrar may raise objection if the application does not fulfill any prescribed patentability requirement. The applicant may file submissions or propose amendments to the specification and claims to address the objection. The applicant may also request the Registrar to review the refusal of a patent application, and, should such review turn out to be unsuccessful, the applicant can still appeal to the Court of First Instance on questions of law. On the other hand, if the application, upon substantive examination, is found to satisfy all the patentability requirements, the Registrar would grant the standard patent and publish the grant accordingly.

14. As Hong Kong has yet to develop indigenous capacity for

---

<sup>6</sup> To fulfill the minimum filing requirements, the application should contain –

- (a) an indication that a standard patent under the OGP route is sought;
- (b) information identifying the applicant; and
- (c) a document that on the face of it appears to be a description of an invention, or a reference to a previously filed application of the invention.

<sup>7</sup> To fulfill the formal requirements, the application should contain among others –

- (a) the name and address of the applicant(s) and the inventor(s);
- (b) a statement indicating the derivation of the applicant’s entitlement if any applicant is not an inventor;
- (c) an address in Hong Kong for service of documents;
- (d) a specification that provides on the face of it for –
  - (i) a description of the invention;
  - (ii) at least one claim;
  - (iii) any drawing referred to in the description or the claim;
- (e) an abstract.

<sup>8</sup> See paragraph 2 and footnote 1 above.

conducting substantive examination for which it has no practical experience, the Intellectual Property Department (“IPD”) entered into a cooperative arrangement with SIPO in December 2013 whereby SIPO agreed to provide technical assistance and support to IPD in conducting substantive examination of patent applications and manpower training under the new patent system. Depending on the users’ acceptance of the new patent system and their filing demands, IPD plans to develop in incremental stages in-house capacity in conducting indigenous substantive examination in the medium to long term, starting with the niche areas where Hong Kong has acquired considerable expertise or Hong Kong is well placed to enhance its research and development capabilities.

### *Refining the short-term patent system*

15. The Government agreed with the Advisory Committee that the short-term patent system should be refined. We have accepted the Advisory Committee’s recommendations on refining the system in the following manner -

- (a) substantive examination of the invention underlying a short-term patent should be made a prerequisite to commencement of enforcement action after a short-term patent is granted;
- (b) the proprietor of a short-term patent or a third party having a legitimate concern or doubt about the validity of the patent should have the right to apply to the Registry for substantive examination of the patent;
- (c) the proprietor of a short-term patent, when making a threat of infringement proceedings, should furnish with the person to whom the threat was made full particulars about the short-term patent in question, failing which the threat of proceedings may be deemed groundless thereby entitling a party aggrieved by the threat to seek relief; and
- (d) the possibility of allowing more than one independent claim<sup>9</sup>

---

<sup>9</sup> A claim, as far as a patent application is concerned, in essence identifies the specific elements of the underlying invention which the patent applicant claims rights and seeks protection. An independent claim, as opposed to a dependent claim, refers to a claim that does not rely upon or refer to any other claims. Currently, only one independent claim may be included in each short-term patent application.

should be further explored.

16. Accordingly we propose to introduce new provisions into the Ordinance for implementing appropriate measures. The provisions will lay down the procedural framework for substantive examination of short-term patents granted by the Registry such as who may apply for substantive examination, the legal and procedural requirements for making such applications and for conducting the substantive examination, and amendment of the short-term patents granted.<sup>10</sup> The procedures for enforcement and related proceedings as well as the onus of proof of validity or invalidity of short-term patents will be set out in view of the inclusion of substantive examination as a new feature of the short-term patent system.

17. In particular, we also propose to allow a short-term patent application to contain up to two independent claims, provided that both claims relate to one invention or a group of inventions forming a single inventive concept. The proposed relaxation seeks to strike a reasonable balance between having a short-term patent system mainly to cater for relatively simple inventions with a limited commercial life span on the one hand, and enabling the grant of a short-term patent with more than one independent claim at a reduced cost on the other.

*Implementing an interim measure for local patent practitioners pending development of a full-fledged regulatory regime*

18. A prime objective to regulate local patent practitioners is to nurture a strong patent profession as a complementary component of the OGP system. This would require development of a full-fledged regulatory regime covering such aspects as establishment of a professional regulatory body, accreditation, use of titles, professional discipline, training, service monopoly, and need for statutory backing. The Advisory Committee has been deliberating on such long-term issues and engaging stakeholders. Further work needs to be done.

19. Meanwhile, the Advisory Committee has focused on what interim measures should be included into the current package of legislative proposals for implementation in tandem with the OGP system and recommended that some kind of regulation of titles should be put in place so as to prevent misuses of attractive titles which may confuse service users before an accreditation system has been put in place and

---

<sup>10</sup> SIPO has agreed to provide technical assistance and support to IPD in conducting substantive examination.

pre-empt the outcome of the full-fledged regulatory regime in the long run.

20. Accordingly we propose to introduce new provisions in the Ordinance to reserve certain specific titles which may likely be required for exclusive use under the future regulatory regime, and introduce an interim regulatory measure to make it an offence to use these titles<sup>11</sup>, as well as any other title which expressly or impliedly suggests official recognition by Government or that such title is conferred pursuant to law. Appropriate exemption would be introduced to cater for the legitimate and reasonable use in Hong Kong of professional titles that have been lawfully acquired outside Hong Kong.

## **ENGAGEMENT**

21. In formulating the legislative proposals described above, we have benefited from further input of the Advisory Committee and have maintained a close liaison with stakeholders including major professional bodies of legal and patent practitioners. Focus group meetings were held to solicit views as appropriate.

22. Notably, on the regulation of patent practitioners, a round of stakeholders' consultation was conducted from March to May 2013. To focus on necessary interim measures, the Advisory Committee has set up a dedicated working group<sup>12</sup> to engage the major professional bodies. The current proposal reflects the consensus reached by the Working Group as endorsed and refined by the Advisory Committee.

## **WAY FORWARD**

23. We are finalising the legislative proposals and preparing an amendment Bill. Subject to drafting progress, we plan to introduce the

---

<sup>11</sup> Having considered the views of the Advisory Committee, we intend to prohibit the use of the following titles: "registered patent agent", "registered patent attorney", "certified patent agent" and "certified patent attorney".

<sup>12</sup> The Working Group comprise representatives of the following bodies –

- (a) Asian Patent Attorneys Association Hong Kong Group
- (b) Hong Kong Bar Association
- (c) Hong Kong Institute of Patent Attorneys
- (d) Hong Kong Institute of Patent Practitioners
- (e) The Hong Kong Institute of Trade Mark Practitioners
- (f) The Law Society of Hong Kong.



amendment Bill into the Legislative Council in the first half of 2015.

24. In parallel, we are taking other follow-up actions to cater for the new OGP system, including preparing subsidiary legislation to be made under the amendment Bill, drawing up examination manuals, designing workflows, and studying the IT requirements to develop the electronic system in support. Subject to the progress of the legislative exercise and other preparatory work, we plan to implement the new patent system in 2016-2017 at the earliest.

### **ADVICE SOUGHT**

25. Members are invited to note and give views on the legislative proposals.

Commerce and Economic Development Bureau  
Intellectual Property Department  
April 2015