

**Bills Committee on the Patents (Amendment) Bill 2015**

**The Government's Responses to Written Submissions and Views of Deputations**

On 22 December 2015, the Bills Committee on the Patents (Amendment) Bill 2015 convened a meeting inviting deputations to give their views on the Bill.

2. Five deputations expressed their views at the meeting. In addition, the Government received eight written submissions. The attached table summarised views received and our responses.

Commerce and Economic Development Bureau  
Intellectual Property Department  
March 2016

The Government's Responses to Views of Deputations and Written Submissions

<b>A. Introducing an “Original Grant” Patent (“OGP”) Route for Standard Patents</b>	
<b>Summary of Views [Deputations]<sup>1</sup></b>	<b>Government's Responses</b>
<p>(a) The establishment of an OGP system for promoting innovation and the development of Hong Kong as an intellectual property (“IP”) trading hub is supported. [CMAHK, HKCPAA, HKIPA, HIPP, iProA, LES, FHKI]</p>	<p>- We note the supportive views.</p>
<p>(b) An OGP system may not be necessary given the limited number of applications for seeking patent protection in Hong Kong. [HKGCC, UDCHK]</p>	<p>- The Government launched a public consultation exercise on the review of the local patent system in 2011. The Advisory Committee on Review of the Patent System in Hong Kong (“Advisory Committee”) was set up to advise the Government on the matter. Taking into account views received during the consultation period and material factors including (a) the world economic context, (b) the international patent landscape, (c) the long term vision of developing Hong Kong into a regional innovation and technology hub and also a premier IP trading hub, as well as (d) the strengths and weaknesses of our current re-registration system for grant of standard patents, the Advisory Committee recommended that an OGP system should be established as it would bear strategic significance to the long-term economic development of Hong Kong. [See paragraphs 3.8 to 3.33; 3.36 to 3.38 of the Report of the Advisory Committee released in February 2013]</p>

<sup>1</sup> A list of the deputations and their abbreviations adopted herein are set out at the Appendix.

<b>A. Introducing an “Original Grant” Patent (“OGP”) Route for Standard Patents</b>	
<b>Summary of Views [Deputations]<sup>1</sup></b>	<b>Government’s Responses</b>
	<ul style="list-style-type: none"> <li>- The Government accepted this strategic recommendation and briefed the Legislative Council (“LegCo”) Panel on Commerce and Industry (“CI Panel”) in February 2013 on the Government’s policy decision on the review and also in April 2015 on the relevant core legislative proposals. The CI Panel expressed support on both occasions.</li> <li>- According to World Intellectual Property Organization’s (“WIPO”) statistics, during 2012-2014, Hong Kong, having an average annual filing volume of about 13 000 during the same period, was within the world’s top 20 patent offices in terms of annual total standard patent filings, ranking at 16<sup>th</sup> in 2014. This suggests that Hong Kong has the long-term market potential for the future OGP system. Efforts will be made to strengthen the OGP system over time, especially in developing in-house substantive examination capability.</li> </ul>
<p>(c) Indigenous full searching and examining capability in line with the WIPO standards for a full spectrum of technology should be developed as soon as possible.</p> <p>[HIPP]</p>	<ul style="list-style-type: none"> <li>- The Intellectual Property Department (“IPD”) plans to develop its indigenous substantive examination capability in medium to long term. Given the high degree of technical knowledge and expertise required and the breadth of technical areas involved, we consider it pragmatic to adopt an incremental approach in developing our searching and examination capability<sup>2</sup>, having regard to the degree of users’ acceptance of the OGP system, their filing demands and the niche technical areas where Hong Kong has acquired considerable expertise or where Hong Kong is well placed to enhance its R&amp;D capabilities.</li> </ul>

<sup>2</sup> It took about 18 years for Singapore to set up its own search and examination unit for conducting indigenous substantive examination after implementing its OGP system in 1995.

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<p>(d) A long term plan should be devised for the potential manpower demand arising from the new OGP system. [iProA, FHKI]</p>	<ul style="list-style-type: none"> <li>- A strong patent profession is a complementary component to the OGP system. In the long run, 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. The Advisory Committee had held initial discussions on these long-term issues and we will continue to engage the Advisory Committee and stakeholders in mapping out the way forward.</li> <li>- Meanwhile, based on the recommendations of the Advisory Committee, we have proposed interim measures for implementation in tandem with the new patent system i.e. regulation on the use of certain titles to prevent misuses of attractive titles which may not only confuse service users before an accreditation system is set up under the future full-fledged regulatory regime, but also pre-empt the outcome of such a future regime in the long run. Accordingly, the Bill contains new provisions to reserve certain specific titles which may likely be conferred on qualified patent practitioners exclusively under the future regulatory regime.</li> <li>- On the other hand, in relation to patent examination, IPD is exploring the possibility to expand the Patents Registry by recruiting patent examiners with science degrees or technical background for processing patent applications under the new patent system. IPD would liaise with the State Intellectual Property Office (“SIPO”) on the Mainland and other established patent offices to provide these examiners with training.</li> </ul>
<p>(e) The requirement on “security check” should be introduced into the new patent system which would require the first filing of patent applications</p>	<ul style="list-style-type: none"> <li>- “Security check” generally imposes the first filing requirement under which an applicant has to first file his patent application in his residing jurisdiction or patent application for an invention that is made in a jurisdiction has to be first filed in the same jurisdiction for clearance before he is allowed to proceed with filing in other jurisdictions. The main purpose for such requirement is generally for screening patent</li> </ul>

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<p>in Hong Kong for those inventions substantially completed in Hong Kong so as to encourage usage of the OGP system [HKCPAA]</p>	<p>applications for local inventions or applications of local origin which might prejudice national security or public safety. “Security check” is not a universal patent filing requirement under major patent treaties. Some jurisdictions have adopted a security check / first filing requirement, e.g. Mainland China, Singapore, the UK and the USA, while there are some jurisdictions, e.g. Australia and New Zealand<sup>3</sup>, that have not adopted such requirement.</p> <ul style="list-style-type: none"> <li>- In the case of Hong Kong, there is no “security check” or first filing requirement under our current patent regime.</li> <li>- While a “security check” request may have the effect of increasing the number of OGP applications and/or short-term applications in Hong Kong, one major downside of a “security check” requirement is that this could restrict the filing strategies of applicants who may otherwise prefer seeking first patent protection in a jurisdiction outside Hong Kong out of business consideration. Moreover, such requirement would inevitably impose an internal clearance period during which the applicants would be restricted from initiating patent applications outside Hong Kong. We do not consider it appropriate to include a “security check” requirement under the new patent system.</li> </ul>

<sup>3</sup> In New Zealand, there used to be a security check requirement under the repealed *Patents Act 1953* to the effect that a person resident in New Zealand could not file any overseas application in any technical area without either first filing in New Zealand or requesting a foreign filing permit. Such requirement is no longer imposed under the *Patents Act 2013* which has come into force since September 2014.

<b>B. Retaining the current “re-registration” system for standard patents</b>	
<b>Summary of Views [Deputations]<sup>1</sup></b>	<b>Government’s Responses</b>
(a) The current re-registration system for standard patents should be retained.	- We note the supportive view.
(b) The current list of designated patent offices should be expanded to include the respective patent offices in Australia, Canada, Japan, the USA etc. [FHKI]	- Whether the list of the designated patent offices should be expanded was one of the issues that had been considered by the Advisory Committee. We accept the Advisory Committee’s recommendation of not doing so as such expansion would entrench the re-registration system and would go against the general direction of setting up an OGP system in Hong Kong. The addition of other patent authorities to the list of designated patent offices may also complicate the patent system. <i>[See paragraphs 3.35 and 3.37(c) of the Report of the Advisory Committee released in February 2013]</i>

<b>C. Refining the Short-Term Patent (“STP”) System</b>	
<b>Summary of Views [Deputations]<sup>1</sup></b>	<b>Government’s Responses</b>
(a) The proposed refinement to the STP system is supported. [CMAHK, HKIPA, HIPPI, iProA, LES]	- We note the supportive views.
(b) The patentability requirement for STPs should be lower than those for standard patents, as in the Mainland. [HKCPAA]	<ul style="list-style-type: none"> <li>- Overseas practices vary as to whether the patentability requirements of lesser patents should be the same as or lower than those of standard patents. For example, lesser patents in Germany, France and Taiwan have more or less the same patentability requirements with standard patents, whereas lesser patents in Mainland China, Australia, Japan and Denmark have a lower novelty or inventiveness requirement compared to standard patents.</li> <li>- As for Hong Kong, the patentability requirements for STPs have been the same as those for standard patents since the introduction of the STP system in 1997.</li> <li>- With thorough consideration, the Advisory Committee recommended that the current patentability requirements for STPs should be maintained. The Advisory Committee considered that the present STP system had the advantage of providing a convenient and inexpensive way of securing a Paris Convention priority date for subsequent standard patent application elsewhere or in Hong Kong. If the patentability criteria of STPs are lowered, the filing of an STP with a lower patentability might no longer be good enough to support a subsequent patent application. Further, the benefits of practitioners’ and users’ familiarity with the current patentability requirements and availability of case law on the patentability standards would be lost if the criteria are lowered. <i>[See paragraphs 4.37 to 4.39 of the Report of the Advisory Committee released in February 2013]</i></li> </ul>

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	<ul style="list-style-type: none"> <li>- In addition, as we are now introducing substantive examination for both standard and STPs, maintaining the same patentability requirements for both could facilitate and expedite the building of practice, experience and a body of local case law. We therefore have not proposed any change to the patentability requirements for STPs.</li> </ul>
<p>(c) The proposed introduction of substantive examination of STPs would reduce the benefit of the STP system and could well deter the use of the system altogether. [LSHK]</p>	<ul style="list-style-type: none"> <li>- The existing STP system has played a special role as a supplement to the standard patent system in offering a fast and inexpensive means to protect inventions with a limited commercial life span. On the other hand, given that STPs are granted without substantive examination, we recognize the need to deter abuse, reduce litigation and discourage registration of non-patentable inventions in the public interest. In order to strike a balance between these competing considerations, we have accepted the Advisory Committee’s recommendations on - <ul style="list-style-type: none"> <li>(a) retaining the STP system;</li> <li>(b) retaining the grant of STP without substantive examination; and</li> <li>(c) introducing post-grant substantive examination.</li> </ul> <p><i>[See paragraphs 4.1 to 4.21 of the Report of the Advisory Committee released in February 2013.]</i></p> </li> <li>- Post-grant substantive examination of STPs seeks to determine the patent validity, particularly for enforcement purposes. Post-grant mechanism with the same or similar nature and purpose is <u>not</u> new in certain overseas jurisdictions with the lesser patent systems. For example, Australia, Mainland China, Denmark, Germany and Japan do not require mandatory pre-grant substantive examination, but they provide</li> </ul>



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	<p>for certain post-grant mechanisms relating to the patentability of the invention or enforcement of the patent, covering searches, technical opinions or substantive examination.<sup>4</sup> [See Annex D to the Report of the Advisory Committee released in February 2013]</p> <p>- To address the concern about delay in enforcement of STPs as a result of post-grant substantive examination, the proposal in the Bill allows an owner of an unexamined STP to commence infringement proceedings provided that a request for substantive examination (which cannot be subsequently withdrawn) has been made to the Registrar of Patents. This proposal seeks to enable prompt commencement of enforcement proceedings for STPs when substantive examination is yet to complete, while maintaining the requirement for the STPs to be subject to substantive examination as a safeguard against abuse of enforcement of weak patents. [See paragraphs 4.11 to 4.21 of the Report of the Advisory Committee released in February 2013]</p>

<sup>4</sup> In Australia and Denmark, proprietors and any third parties may request post-grant substantive examination on innovation patents (in Australia) or utility models (in Denmark). On the other hand, in Germany, applicants for or registered proprietors of utility models and third parties may request search reports on the utility models. The following illustrates the general position on enforcement of lesser patents in several jurisdictions -

- (a) Australia - an innovation patent must be substantively examined and certified to have complied with all prescribed requirements prior to the commencement of infringement proceedings.
- (b) Japan - the proprietor of a utility model must obtain a Utility Model Technical Opinion prior to the exercise of his rights against infringers.
- (c) Mainland China - a technical assessment report prepared by the SIPO may be adduced as evidence in infringement proceedings. We understand that it is common practice for plaintiffs in infringement proceedings to submit the report as part of the supporting evidence.

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<p>(d) The proposal in the new section 89A(2) to require a short-term patentee to provide documents relating to the patent on request when making a threat of infringement proceedings, is unnecessarily and also unduly harsh to the patentees, particularly to SMEs, and also to both professional and non-professional advisors, who may be deemed to have made a groundless threat of proceedings because of unawareness of the technical requirement or inadvertence, no matter how justified the threats were. The proposal went beyond the rationale of deterring threats of infringement proceedings based on a weak patent. The objective of discouraging the owner of an unexamined STP from making empty threats is already covered by</p>	<ul style="list-style-type: none"> <li>- The legislative proposal seeks to implement the Advisory Committee’s recommendation of requiring the STP owner making a threat of proceedings to provide full particulars about the patent (in particular the search report), failure of which would render the threat groundless. The recommendation sought to “<i>facilitate the threatened party to make an informed decision on whether and how to respond to the threats</i>” and to “<i>save potential costs in formal court proceedings which may be presided by non-specialist judges by tackling technical issues beforehand as far as possible</i>”. [See paragraphs 4.17 to 4.19 of the Report of the Advisory Committee released in February 2013]</li> <li>- Taking into account the comments raised by some legal and patent practitioners’ bodies, the Bill proposes to require the STP owner making a threat of proceedings to provide the aggrieved party within 7 days on request copies of certain patent documents or a channel for obtaining the documents free of charge. As the key patent documents containing particulars about the patent (such as the search reports and patent specification) are already available on the electronic register of patents on IPD’s website, we consider this requirement reasonable and not unduly burdensome to the STP owners.</li> <li>- Regarding the concerns raised by LSHK and APAA that the consequences for failure to comply with the document provision requirement may be unduly harsh to an STP owner or his legal representative whose threats are in fact justified, the following material considerations may be relevant - <ul style="list-style-type: none"> <li>(a) the key particulars about STPs are available to the public free of charge from the online register of patents; and</li> <li>(b) nevertheless, requiring an STP owner who threatens infringement proceedings to provide information about the patent upon request may facilitate the party being threatened to make an informed decision of whether and how to respond to the threats, and help avoid unnecessary litigation and save costs.</li> </ul> </li> </ul>

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<p>the existing law on threats. The requirement to provide patent documents can be made a pre-condition for bringing infringement proceedings, with failure to supply being sanctioned by an adverse cost order. [APAA, LSHK]</p>	<p>- We will continue to engage APAA and LSHK.</p>
<p>(e) The statutory provisions on groundless threats of infringement proceedings in Hong Kong is much stricter than that of the UK. Such provisions need to be looked at afresh, and amendments similar to the lines of the proposed legislative amendments to the corresponding provisions in the UK following the report of the UK Law Commission should be adopted in Hong Kong. [LSHK]</p>	<p>- Our current statutory provisions on groundless threats of patent infringement proceedings, i.e. section 89 of PO as enacted in 1997, were modeled on the then version of section 70 of the UK Patents Act 1977.<sup>5</sup> The provisions, which are applicable to both standard and short-term patents, seek to prevent abuse of patents by means of making unjustified threats of proceedings for patent infringement. Generally speaking, a person aggrieved by threats of patent infringement proceedings may bring proceedings in the Court of First Instance against the person making the threats for relief, including a declaration that the threats are unjustifiable, an injunction against the continuance of the threats and/or damages, if any, sustained by the plaintiff as a result of the threats. The plaintiff would not however be entitled to any relief if the Court is satisfied that the acts being the subject matter of the threats constitute an infringement of patent, and that the patent in question is valid. Further, proceedings on groundless threats cannot be brought against threats of proceedings for acts of primary infringement (i.e. an alleged infringement through making a product to put on the market, or using a process). In other words, patent owners are entitled to warn off a manufacturer of the relevant product or a user of a relevant process without being subject to proceedings on groundless threats of infringement proceedings.</p>

<sup>5</sup> The corresponding UK statutory provisions have been amended over the years. The latest amendments were made by the Patents Act 2004 effective since 1 January 2005.

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	<p>- We have considered the statutory provisions on groundless threats of infringement proceedings in several overseas common law jurisdictions, covering Australia, Ireland, Singapore and the UK.<sup>6</sup> In fact, the Hong Kong provisions are largely similar to the corresponding provisions in all these overseas jurisdictions with regard to how threats can be made<sup>7</sup>, who can bring proceedings for relief against groundless threats<sup>8</sup> and the types of relief that may be sought by the plaintiff in such proceedings.<sup>9</sup> The major differences amongst all these jurisdictions are briefly set out below -</p> <p><u>What does not constitute a threat</u></p> <p>(a) In Hong Kong and all the overseas common law jurisdictions under survey except the UK, a notification of the existence of a patent/a patent application does <u>not</u> on its own constitute threats of proceedings.</p> <p>(b) The UK provisions specify that the mere provision of factual patent information; the mere making of enquiries for the sole purpose of discovering whether and by whom a patent has been infringed by the making or importing a product for disposal or of using a process; and also the mere making of an</p>

<sup>6</sup> See sections 128 to 132 of the *Patents Act 1990* in Australia; section 53 of the *Patents Act 1992* in Ireland; section 77 of the *Patents Act* in Singapore; and section 70 of the *Patents Act 1977* in the UK. We have also considered the legal position in New Zealand. Unlike its repealed *Patents Act 1953*, the *Patents Act 2013* as currently in force in New Zealand no longer contains any provision on proceedings on groundless threats of patent infringement proceedings.

<sup>7</sup> In Hong Kong and all the overseas common law jurisdictions under survey, threats can be made via a variety form of verbal or written communication/expression, whether “*by circulars, advertisements or otherwise*”.

<sup>8</sup> In Hong Kong and all the overseas common law jurisdictions under survey, proceedings on groundless threats are actionable by persons aggrieved by the threats, whether or not they are direct recipients of the threats.

<sup>9</sup> The three major types of relief that can be sought in proceedings on groundless threats in all the overseas common law jurisdictions under survey are essentially the same as those available in Hong Kong – see the first bullet point of the Government’s responses to “Summary of Views” (e) under Part C herein which sets out the general position in Hong Kong.

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	<p>assertion about the patent for the purpose of making the aforesaid enquiries, do <u>not</u> constitute threats of proceedings.</p> <p><i>Defence</i></p> <p>(c) In Hong Kong and all the overseas common law jurisdictions under survey, proof by the defendant that the acts in question constitutes an infringement of the patent, is a common defence.</p> <p>(d) However, in Hong Kong, Singapore and Australia, the aforesaid defence is not applicable if the plaintiff shows the relevant respect/claim of the patent in question as invalid.</p> <p>(e) In the UK, the common defence is not available if the plaintiff shows the relevant respect of the patent in question as invalid, unless the defendant proves that he has no actual or constructive knowledge about the patent invalidity at the time of making the threats.<sup>10</sup></p> <p>(f) Further, the UK provisions provide for another unique defence, namely the defendant’s proof of use of his best endeavours<sup>11</sup>, without success, to discover the identity of the primary infringer<sup>12</sup>, and also of</p>

<sup>10</sup> In its recent law reform proposals on the statutory provisions on groundless threats of infringement proceedings (see pages 15 to 17 below), the UK Law Commission recommends, amongst others, abolishing this defence.

<sup>11</sup> Ibid. The UK Law Commission also recommends that the defendant should just be required to show the taking of “all reasonable steps” instead of the use of “best endeavours” in establishing this defence.

<sup>12</sup> The classes of person for discovery of identity are as follows -

- (a) where the invention is a product – the identity of a person who made or imported the product for disposal;
- (b) where the invention is a process and the alleged infringement consists of offering it for use – the identity of a person who used the process;

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	<p>notification of the person threatened accordingly before or at the time of making the threats with identification of the endeavours used.</p> <p><i>Exemptions</i></p> <p>(g) In Ireland, Singapore and the UK, groundless threat proceedings are <u>not</u> available not only if the threat relates to an alleged act of certain primary infringement consisting of making a product for disposal or using a process, but also if the alleged act of infringement consisting of importing a product for disposal. As such, the legal position in these jurisdictions is more favourable to patent owners than the Hong Kong position. By contrast, the Australian statutory provisions do not limit the availability of groundless threat proceedings to particular acts.</p> <p>(h) Acts done by legal practitioners in their professional capacity on behalf of their clients are specifically exempted from proceedings on groundless threats in both Australia and Singapore, but <u>not</u> in Hong Kong, Ireland and the UK.</p> <p><i>Application to the lesser patent system</i></p> <p>(i) Australia and Ireland are the only jurisdictions under survey that have a lesser patent system similar to Hong Kong.</p> <p>(j) In Australia, any threats of patent infringement proceedings made by owners of innovation patents would be regarded as groundless unless the innovation patents in question have been substantively</p>

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(c) where the invention is a process and the alleged infringement is the disposal of, or offering to dispose of, the use of, or the import of any products obtained directly by means of that process or the keeping of any such products, the identity of a person who used the process to produce the product in question.

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	<p>examined and certified by its patent office. The owner of an unexamined innovation patent is effectively barred from making threats of infringement proceedings. This is much stricter than our proposed refinement to our local STP system. While proposing the introduction of post-grant substantive examination of STPs, the Bill does <u>not</u> make post-grant substantive examination a pre-requisite to making threats of infringement proceedings in line with the recommendations of the Advisory Committee. [See paragraphs 4.17 to 4.18 of the Report of the Advisory Committee released in February 2013]</p> <p>(k) On the other hand, Ireland does <u>not</u> have any corresponding statutory provision concerning restriction on making threats of infringement proceedings.</p> <p>The Recent Reform Proposal in the UK</p> <ul style="list-style-type: none"> <li>- In April 2014, the UK Law Commission issued a report “Patents, Trade Marks and Design Rights: Groundless Threats” recommending, inter alia, harmonization of the groundless threat provisions across different IP legislation (i.e. patents, trademarks and registered as well as unregistered designs) and also further reforms to the groundless threat provisions.</li> <li>- In October 2015, the Law Commission then issued a Bill together with an explanatory report entitled “Patents, Trade Marks and Design Rights: Unjustified Threats” containing the legislative proposals.<sup>13</sup> The</li> </ul>

<sup>13</sup> While the UK Government intends to bring forward primary legislation to enact the necessary reforms on groundless threats of proceedings in due course, and is considering the legislative proposals, it launched a public consultation exercise on 22 October 2015 to seek stakeholders’ confirmatory views about the reforms and also enlist stakeholders’ support to use the Parliamentary procedure designed for uncontroversial Bills for enacting the primary legislation. The public consultation closed on 13 November 2015, and the UK Government is analyzing the stakeholders’ feedback.

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	<p>key legislative proposals include introducing “permitted communication”<sup>14</sup>, refining the available defence<sup>15</sup> and expanding the scope of exemption of liability on groundless threats to cover “primary actors”<sup>16</sup> and legal professional advisers.<sup>17</sup></p> <p>- In respect of the UK position, its current statutory provisions in comparison with the Hong Kong position are generally more favourable to patent owners as the scope of defence and exemption available under the UK provisions are broader. Such scope of defence and exemption is subject to refinement and expansion under the UK recent reform proposals which have yet to be implemented by legislation. One should also note that there is no lesser patent system in the UK, and that whether it is proper to have its recent proposed</p>

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<sup>14</sup> It is proposed that a threat of infringement proceedings which is not an express threat is not actionable if it is contained in a “permitted communication”, i.e. communication, as far as it contains information that relates to the threat, is made solely and also necessary for a “permitted purpose”; and the person making the communication reasonably believes that it is true. In this connection, “permitted purpose” refers to –

- (a) giving notice that a patent exists;
- (b) discovering if the patent is being infringed and by whom; and
- (c) giving notice that a person has a right in or under the patent where another person’s awareness of the right is relevant to any proceedings that may be brought in respect of the patent.

Further, the court is empowered to add to the list of “permitted purposes” if it considers it necessary to do so in the interests of justice.

<sup>15</sup> Please refer to footnotes 10 and 11 above.

<sup>16</sup> “Primary actors” refers to persons who has done, or intends to carry out the following primary acts -

- (a) made or imported a product for disposal, even where the threats refer to any other act in relation to that product; or
- (b) used a process, even where the threats refer to any other act in relation to that process.

<sup>17</sup> It is proposed that legal professional advisers who have acted on instructions, identified their client in the communication containing the threats, and also whose services are regulated by a regulatory body are exempted from the liability on groundless threats, which is akin to the current corresponding exemption in Australia and Singapore. Such proposed exemption however would not affect the underlying liability for threats attaching to their clients.



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	<p>reforms likewise introduced into both our local standard and STP systems would require careful consideration. Most importantly, the UK reform proposals seek to harmonize the provisions on groundless threats in IP legislation covering trademarks and design rights in addition to patents and will have a far reaching implication and effect.</p> <ul style="list-style-type: none"> <li>- Since commencement of the PO in 1997, there were only three judgments in Hong Kong concerning groundless threats of patent infringement proceedings.<sup>18</sup> As such, there is no clear evidence to suggest that the existing groundless threat provisions are unduly oppressive to patent owners.</li> <li>- Given that the focus of the current legislative exercise is to implement the key recommendations of the Advisory Committee, a review of groundless threat provisions for patents in Hong Kong is more suitably and prudently conducted as a separate exercise, in which questions as to the appropriateness and extent of harmonization with groundless threat provisions in other local IP legislation can be thoroughly considered.</li> </ul>
<p>(f) The proposal that third parties are allowed to file observations as to the patentability of a standard patent (O) and STP is supported. [HKBA]</p>	<ul style="list-style-type: none"> <li>- We note the supportive views.</li> </ul>

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<sup>18</sup> Research findings based on the online judgment database of the Judiciary.

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<b>Summary of Views [Deputations]<sup>1</sup></b>	<b>Government’s Responses</b>
<p>(g) Same as standard patents, STPs should only be substantively examined once. The proposed new section 127B does not expressly limit the number of times for a third party to request substantive examination of an unexamined STP, and may lead to abuse where one makes repeated requests for substantive examination. [HKBA]</p>	<ul style="list-style-type: none"> <li>- We confirm that if an STP has been substantively examined or alternatively a request for substantive examination has been made and no order on termination of the substantive examination is made by the court, the owner or a third party may not request substantive examination of the patent again.</li> <li>- We will consider if the current drafting of the relevant provisions is sufficiently clear to reflect the policy objective.</li> </ul>
<p>(h) The current section 129(1) (to be re-numbered section 129(2)), which imposes a burden of proof of validity of an STP on the patentee, should be amended to provide that it only applies to unexamined STPs. [HKBA]</p>	<ul style="list-style-type: none"> <li>- Under the Bill, if the patent owner seeks to enforce an unexamined STP, it remains for the patent owner to establish the validity of the patent. On the other hand, where an STP has been substantively examined, the policy intent is for the patent to be presumed valid, similar to the case of a standard patent, subject to proof to the contrary by the party challenging the patent validity.</li> <li>- We will consider if the current drafting of the relevant provision is sufficiently clear to reflect the policy objective.</li> </ul>

<b>C. Refining the Short-Term Patent (“STP”) System</b>	
<b>Summary of Views [Deputations]<sup>1</sup></b>	<b>Government’s Responses</b>
(i) The maximum term of protection under short-term patents should be extended from eight years to ten years. [FHKI]	- We accepted the Advisory Committee’s recommendation on preserving the maximum 8-year protection term of STPs, having considered the submissions received during the public consultation in 2011 and factored in the original intention underlying the introduction of the STP system for protecting inventions with a short commercial life cycle. <i>[See paragraphs 4.28 to 4.31 of the Report of the Advisory Committee released in February 2013]</i>

<b>D. Implementing an Interim Measure for Regulating Local Patent Practitioners Pending Establishment of a Full-Fledged Regulatory Regime</b>	
<b>Summary of Views [Deputations]<sup>1</sup></b>	<b>Government's Responses</b>
(a) The proposed regulation of local patent practitioners is supported. [CMAHK, HKIPA, HIPP, iProA, LES, FHKI]	- We note the supportive views.
(b) There is an urgent need for developing a full-fledged regulatory regime covering establishment of a professional regulatory body, accreditation, use of titles, professional discipline and training. [HIPP]	<ul style="list-style-type: none"> <li>- While acknowledging the need for regulating the patent profession as a complementary component to the proposed introduction of the new OGP system, the Advisory Committee recommended the introduction of a full-fledged regulatory regime in the long run to be achieved in stages, with possible interim measures. [See paragraphs 5.25 of the Report of the Advisory Committee released in February 2013]</li> <li>- A full-fledged regulatory regime for patent agency services would need to address several crucial aspects of patent agency services, including the establishment of a professional regulatory body, accreditation, use of titles, professional discipline, training, service monopoly, and statutory backing, and suitable transitional arrangements. These issues require careful consideration having regard to the needs of the new patent system in Hong Kong, as well as the larger goal of positioning Hong Kong as a premier IP trading hub in the region. Both patent practitioners and users need to be consulted. It will inevitably take some time for Hong Kong to set up such a regime. For reference, Singapore implemented an OGP system in 1995 but only introduced a regulatory regime for patent practitioners in 2002.</li> <li>- At this stage, we are focusing on the interim regulatory measures which should be implemented in tandem with the new patent system, and have recommended that regulation on the use of certain titles should be put in place as an interim measure so as to prevent misuses of attractive titles which may not only confuse service users before an accreditation system is set up under the future full-fledged regulatory regime, but</li> </ul>

<b>D. Implementing an Interim Measure for Regulating Local Patent Practitioners Pending Establishment of a Full-Fledged Regulatory Regime</b>	
<b>Summary of Views [Deputations]<sup>1</sup></b>	<b>Government's Responses</b>
	<p>also pre-empt the outcome of such a future regime in the long run. [See paragraphs 5.25 of the Report of the Advisory Committee released in February 2013] Accordingly, the Bill contains new provisions to reserve certain specific titles which may be conferred on qualified patent practitioners exclusively under the future regulatory regime.</p> <ul style="list-style-type: none"> <li>- We would continue to work with the Advisory Committee on the long-term development of the full-fledged regulatory regime, and would consult stakeholders in due course.</li> </ul>
<p>(c) Apart from being applicable to individual patent practitioners, the proposed regulatory measure should also apply to entities/firms. [iProA]</p>	<ul style="list-style-type: none"> <li>- The scope of the proposed interim regulatory measures under the new s.144A covers entities/firms in addition to individuals.</li> </ul>
<p>(d) The proposed new section 144A(2)(e) is not clear. For examples, it is not clear whether a person can say he/she is “a patent agent/attorney providing patent agency services in Hong Kong”, or whether a Hong Kong lawyer can describe himself/herself as an “attorney” in provision of patent agency services. [APAA, HKIPA, HIPPI]</p>	<ul style="list-style-type: none"> <li>- The proposed provision is introduced based on the recommendations of the Advisory Committee having regard to the views of a Working Group established under the Advisory Committee comprising representatives of local professional bodies of patent practitioners. As Hong Kong has yet to establish a full-fledged regime to regulate patent agency services, the provision seeks to prevent the use of titles or descriptions which would likely give the misleading impression that a person's qualification for providing patent agency services is endorsed by the HKSAR Government or recognized by Hong Kong law (“officially recognized”). [See paragraphs 5.5 to 5.26 of the Report of the Advisory Committee released in February 2013]</li> <li>- The proposed interim measures only regulate the use of certain titles in connection with the provision of patent agency services without regulating or restricting the provision of patent agency services as such.</li> </ul>

<b>D. Implementing an Interim Measure for Regulating Local Patent Practitioners Pending Establishment of a Full-Fledged Regulatory Regime</b>	
<b>Summary of Views [Deputations]<sup>1</sup></b>	<b>Government's Responses</b>
	<p>The regulation of patent agency services will be considered in the context of the full-fledged regulatory regime in the long run.</p> <ul style="list-style-type: none"> <li>- The proposed interim measures also do not prohibit the use of titles/descriptions (e.g. professional titles) which a person is lawfully entitled to use in Hong Kong under existing law. Given that many existing providers of patent agency services are qualified legal practitioners, the proposed new section 144A(4) seeks to make clear that qualified legal practitioners in Hong Kong may lawfully use titles such as “solicitor”, “barrister”, “foreign lawyer”, “lawyer” and “counsel” in providing patent agency services in Hong Kong.</li> <li>- The proposed new section 144A(2)(e) does <u>not</u> seek to bar the use of “attorney” on its own by qualified legal practitioners. Furthermore, the description “Hong Kong patent attorney” / “Hong Kong patent agent” is not, <i>per se</i>, prohibited by section 144A(2). That said, even if a title or description is not specifically prohibited, it should <u>not</u> be used in such a manner (e.g. together with other words or description) as to likely give the impression that the person holds a qualification for providing patent agency services which is officially recognized in Hong Kong. Otherwise, this may fall within the prohibitive scope of s.144A(2)(e).</li> </ul>
(e) The effect of the proposed new section 144A(3) is unclear as to, for example, whether a UK Registered Patent Agent can use such title in providing patent agency services in	<ul style="list-style-type: none"> <li>- The proposed new section 144A(3) seeks to make clear that a person is not prohibited from using any professional title for provision of patent agency services that has been lawfully acquired in an overseas jurisdiction, so long as the overseas jurisdiction is clearly indicated. This may include, for example, “Registered Patent Attorney (UK)”, “Registered Patent Agent in Singapore”, “US Patent Attorney” etc.</li> </ul>

<b>D. Implementing an Interim Measure for Regulating Local Patent Practitioners Pending Establishment of a Full-Fledged Regulatory Regime</b>	
<b>Summary of Views [Deputations]<sup>1</sup></b>	<b>Government's Responses</b>
<p>Hong Kong. The prohibition under the proposed new section 144A(1) should not apply to provision of patent agency services in Hong Kong by overseas qualified patent practitioners residing in Hong Kong. [APAA, HKCPAA]</p>	
<p>(f) To be qualified as a patent attorney, a sound technical/science background should be a prerequisite. If the Bill is to provide for an exemption for Hong Kong lawyers under the proposed new section 144A(4), such exemption should be confined to patent agency services relating to procedural issues. [HKCPAA]</p>	<ul style="list-style-type: none"> <li>- As mentioned in (d) above, the proposed interim measure seeks to regulate the use of certain titles in the course of providing patent agency services, rather than regulating the provision of patent agency services.</li> <li>- The proposed new section 144A(4) seeks to make clear that legally qualified practitioners are not prohibited from using their legal professional titles in connection with the provision of patent agency services.</li> <li>- Regulation of services and transitional arrangements, if any, would be considered in consultation with the Advisory Committee and stakeholders in the future.</li> </ul>

<b>D. Implementing an Interim Measure for Regulating Local Patent Practitioners Pending Establishment of a Full-Fledged Regulatory Regime</b>	
<b>Summary of Views [Deputations]<sup>1</sup></b>	<b>Government's Responses</b>
<p>(g) The proposed criminal sanction for non-compliance with the interim regulatory measure is severe. [HKCPAA, HKIPA] It is suggested that any sanction for non-compliance should be confined to “administrative punishment” such as a warning issued by the IPD. [HKCPAA]</p>	<ul style="list-style-type: none"> <li>- The proposed criminal sanctions are benchmarked at the penalty levels of comparable offences under the Legal Practitioners Ordinance (Cap 159)<sup>19</sup> for falsely using title or description implying that a person is qualified or recognized by law as qualified to act as a solicitor, or acting as a barrister.</li> <li>- We have also considered the offence provisions and penalty levels relating to falsely pretending to be a qualified person or using the relevant qualified names/titles in several professional streams ranging from medical practitioners, dentists, Chinese medical practitioners, engineers, certified public accountants, social workers to estate agents under a number of legislation.<sup>20</sup> We note that the maximum level of fine under the relevant statutory provisions varies from HK\$25,000 to HK\$500,000, whereas most of these provisions (except in the case of social workers) also entail the penalty of maximum imprisonment ranging from 1 year to 3 years. Given that the proposed regulatory provision is an interim measure introduced pending establishment of a fully regulated patent profession in Hong Kong, we consider it appropriate to prescribe a fine at a suitable level to deter the use of misleading titles, but without imposing the sanction of imprisonment.</li> </ul>

<sup>19</sup> See sections 44(1) and 46(1) of the Legal Practitioners Ordinance as reproduced below:

*44(1) Any person who –*

*(a) not being a qualified barrister, either directly or indirectly, practices or acts as a barrister;*

*shall be guilty of an offence and shall be liable on summary conviction to a fine of \$500000.*

*46(1) Any unqualified person who willfully pretends to be, or takes or uses any name, title, addition or description implying that he is qualified or recognized by law as qualified to act as, a solicitor shall be guilty of an offence and shall be liable on summary conviction to a fine of \$500000.*

<sup>20</sup> The relevant provisions are section 28 of Medical Registration Ordinance (Cap.161), section 25 of Dentists Registration Ordinance (Cap.156), section 108 of Chinese Medicine Ordinance (Cap.549), section 30 of Engineers Registration Ordinance (Cap.409), section 42 of Professional Accountants Ordinance (Cap.50), section 35 of Social Workers Registration Ordinance (Cap.505) and section 15 of Estate Agents Ordinance (Cap.511).



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<b>Summary of Views [Deputations]<sup>1</sup></b>	<b>Government's Responses</b>
	<ul style="list-style-type: none"> <li>- We do not intend to introduce “administrative punishment” into the Bill as such provision is not found in existing local ordinances providing for the comparable offences.</li> </ul>
<p>(h) After the introduction of a full-fledged regulatory regime, persons who are qualified in Hong Kong should be allowed to use the title “registered patent attorney” while those qualified in jurisdictions outside Hong Kong should use the title “patent attorney” or “patent agent” and their titles should indicate such jurisdictions. Persons who are qualified in jurisdictions outside Hong Kong should only be allowed to use the title “registered patent attorney” after they have passed the relevant examination.</p> <p>[FHKI]</p>	<ul style="list-style-type: none"> <li>- We will continue to discuss with the Advisory Committee the long-term plan to develop the full-fledged regulatory regime, including the details of the implementation plan. Stakeholders will be consulted on the details of the full-fledged regulatory regime in due course.</li> </ul>
<p>(i) IPD should, together with professional bodies or organizations recognized by the Government, organize training courses and</p>	

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<p>examinations and confer professional qualifications. IPD should also issue guidelines for the purpose of regulating patent agents.</p> <p>[FHKI]</p>	

<b>E. Other issues</b>	
<b>Summary of Views [Deputations]<sup>1</sup></b>	<b>Government's Responses</b>
<p>(a) Order 103 of the Rules of High Court applicable to the old Registration of Patents Ordinance needs to be updated to reflect the new Patents Ordinance. [HKBA]</p>	<ul style="list-style-type: none"> <li>- The Government is embarking on a separate legislative exercise to update the Rules of High Court relating to proceedings for patent, trade marks and designs. The drafting of provisions to update Order 103 is underway.</li> <li>- Following the timely passage of the Patents (Amendment) Bill 2015, we will ensure that updates to Order 103 will cater for court proceedings in respect of the new OGP system and refined STP system.</li> </ul>
<p>(b) The existing section 44 of PO should be amended to include the central limitation/revocation procedures under the European Patent Convention ("EPC") so as to provide a straight forward and relatively inexpensive mechanism for a Hong Kong standard patent proprietor to remove his patent from the register of patents after his corresponding European patent designating the United Kingdom has already been revoked through the said central limitation/revocation procedures. [CWT]</p>	<ul style="list-style-type: none"> <li>- The current section 44 of PO imposes the obligation on a Hong Kong standard patent owner to apply to the Registrar of Patents ("Registrar") for revocation of his patent following revocation of the corresponding designated patent in "prescribed opposition or revocation proceedings" in the relevant designated patent office.</li> <li>- For the purpose of the provisions, "prescribed opposition or revocation proceedings" do <u>not</u> include all types of post-grant proceedings in the designated patent offices. At present, the only applicable "prescribed opposition or revocation proceedings" as defined in section 36 of the Patents (General) Rules ("PGR") are the post-grant opposition proceedings under Part V of the EPC, which have to be filed within 9 months after grant of the relevant European patent designating the UK. This relates to the fact that the validity of a European patent is still subject to challenge by an opposition that can be filed <u>within a short time period after grant</u>, and that a Hong Kong standard patent which is based on a European patent that has been revoked by a successful opposition should also be consequentially revoked. On the other hand, post-grant invalidation proceedings before the SIPO in the Mainland and post-grant revocation proceedings before the UK Intellectual Property Office are outside the scope of section 44.</li> </ul>

<b>E. Other issues</b>	
<b>Summary of Views [Deputations]<sup>1</sup></b>	<b>Government's Responses</b>
	<ul style="list-style-type: none"> <li>- The restrictive scope of post-grant proceedings caught by section 44 reflects the intention <u>not</u> to apply section 44 automatically whenever corresponding designated patents have been revoked or invalidated in the relevant designated patent offices. Such limited application is in line with the policy that a standard patent granted in Hong Kong is independent of its corresponding patent granted by the relevant designated patent offices, and the fate of the Hong Kong standard patent should not be indefinitely linked to that of the corresponding designated patent. As such, section 44 does <u>not</u> impose an indefinite obligation on a standard patent owner to apply to the Registrar for revocation of his Hong Kong patent following revocation/invalidation of the corresponding designated patent in proceedings other than the time-limited “prescribed opposition or revocation proceedings” as defined in the PGR.</li> <li>- The so called “central limitation/revocation procedures” under the Article 105a of the EPC allows a European patent, at the request of its owner <u>at any time after grant</u>, be limited by amendment of claims or be revoked. Given the restrictive scope of section 44 of the PO and the underlying policy as explained in the preceding paragraph, we do <u>not</u> propose to include such “central limitation/revocation procedures” under section 44.</li> <li>- On the other hand, apart from section 44, section 48 of the PO provides an avenue for a patent owner to apply to the Registrar to surrender his patent at any time after grant. In addition, a Hong Kong standard patent can also be revoked in revocation proceedings before the Court of First Instance under section 91 of the PO.</li> </ul>

<b>E. Other issues</b>	
<b>Summary of Views [Deputations]<sup>1</sup></b>	<b>Government's Responses</b>
<p>(c) The Government should negotiate with SIPO on mutual recognition of patents. [FHKI]</p>	<ul style="list-style-type: none"> <li>- Patent protection is territorial in nature and patents are granted in each jurisdiction/region independently according to its own laws and practice. At the international level, there is no arrangement for mutual recognition of patent between two jurisdictions.</li> <li>- International co-operation may take the form of "Patent Prosecution Highway" ("PPH") arrangements which could facilitate local patent applicants to obtain patent protection in other jurisdictions in due course.</li> <li>- Upon establishing a high quality OGP system on par with the international standard in Hong Kong, Hong Kong would be in a better position to negotiate mutual streamlining of patent application processes with the Mainland and other jurisdictions. As such, the timely passage of the Patents (Amendment) Bill 2015 for setting up the OGP system is essential to the improvement of the local patents registration system by better equipping Hong Kong to explore further international cooperation opportunities.</li> </ul>

**List of Deputations**

<b>Deputations</b>	<b>Abbreviations</b>
Asian Patent Attorneys Association (Hong Kong Group)	APAA
The Chinese Manufacturers' Association of Hong Kong	CMAHK
Hong Kong Bar Association	HKBA
Hong Kong Chinese Patent Attorneys Association	HKCPAA
Hong Kong General Chamber of Commerce	HKGCC
Hong Kong Institute of Patent Attorneys	HKIPA
The Hong Kong Institute of Patent Practitioners Limited	HIPP
Internet Professional Association	iProA
The Law Society of Hong Kong	LSHK
Licensing Executives Society China Hong Kong Sub-Chapter	LES
Universal Display Corporation, Hong Kong Ltd.	UDCHK
Chin Wah TSANG, a Registered UK Patent Attorney	CWT
Federation of Hong Kong Industries	FHKI