

Bills Committee on the Patents (Amendment) Bill 2015

**Follow-up actions arising from the discussion
at the meeting on 23 March 2016**

Purpose

At the meeting on 23 March 2016, the Government was requested to review the proposed criminal sanction as stipulated in the new section 144A(5) (i.e. a fine of \$500,000) under clause 129 of the Patents (Amendment) Bill 2015, which was benchmarked at the penalty levels of comparable offences under the Legal Practitioners Ordinance (Cap.159), for a person who is convicted of the offence of using the prohibited titles or descriptions under the new section 144A(2).

2. The ensuing paragraphs set out the Government's response.

Proposed Sanction for Breach of the Offence under the New Section 144A

3. Pending the development of a full-fledged regulatory regime for the provision of patent agency services in Hong Kong which may cover aspects such as the establishment of a professional regulatory body, accreditation, use of titles, professional discipline, training, service monopoly, and statutory backing, we propose to introduce an interim regulatory measure under the proposed new section 144A to prevent misuses of attractive titles, and titles and descriptions which may confuse or mislead the public that the service providers have a special qualification to provide patent agency services which is endorsed by the Government or recognized by law.

4. Non-prejudicial disclosure of an invention is a pre-requisite to acquiring patent protection, and proper drafting of claims and specifications of an invention is essential to assert a meritorious claim on key issues like patentability, validity and enforcement. We note that the provision of patent agency services such as those mentioned above does not only require legal and technical competence but also calls for a high degree of professional confidence and trust. In this regard, use of a

proscribed title or description by a service provider in Hong Kong would likely confuse or mislead a potential lay client that the service provider is specially/officially qualified to provide such services when, in fact, there is no official accreditation for patent agency services in Hong Kong. We considered that an appropriate maximum sanction is vital, since substantial commercial and pecuniary interests could be at stake, because the commercialization potential of an invention can last up to 20 years (for standard patent). The whole scheme underlines the Government's policy intent to develop and nurture a strong local profession of patent agency services in the long run, and pre-empt the improper use of misleading titles and descriptions in Hong Kong in the interim.

5. In proposing the maximum penalty for the offence under the new section 144A, we have considered the penalties of similar offences (concerning misuse of titles/descriptions) in other professions which are extracted in **Annex** for reference. We notice that a number of these offences (except those for barrister, solicitor and social worker), upon conviction, are punishable by a maximum term of imprisonment ranging from one to three years. Given that patent agency services mainly concern matters of commercial/pecuniary interests, we consider it not necessary for the offence to carry a custodial sentence but it would be appropriate to impose a maximum fine of \$500,000. As always, in passing a sentence in a conviction case, the court would take into account all relevant circumstances of the case, including the seriousness of the offence committed (such as the culpability of the offender, the financial loss sustained by the victim and the financial gain of the offender).

Presentation

6. Members are invited to note the above.

Commerce and Economic Development Bureau
Intellectual Property Department
April 2016

**Criminal Sanctions against False Representations as a
Member of Various Professions in Hong Kong**

	Professions	Criminal Sanctions		Relevant statutory provisions
		Fine	Imprisonment	
1.	Appointed Insurance Agent / Authorized Insurance Broker	\$1,000,000 (conviction upon indictment) \$100,000 (summary conviction)	2 years (conviction upon indictment) 6 months (summary conviction)	Section 77(1) and (2) of Insurance Companies Ordinance (Cap. 41)
2.	Barrister	\$500,000	N/A	Section 44 of Legal Practitioners Ordinance (Cap.159)
3.	Solicitor	\$500,000	N/A	Section 46 of Legal Practitioners Ordinance (Cap.159)
4.	Estate Agent	\$500,000 (conviction upon indictment) \$100,000 (summary conviction)	2 years (conviction upon indictment) 6 months (summary conviction)	Sections 15 and 55(3)(a) of Estate Agents Ordinance (Cap.511)
5.	Medical Practitioner	\$100,000	3 years	Section 28 of Medical Registration Ordinance (Cap.161)
6.	Chinese Medicine Practitioner	\$100,000	3 years	Section 108 of Chinese Medicine Ordinance (Cap.549)
7.	Dentist	\$100,000	3 years	Section 25 of Dentists Registration Ordinance (Cap.156)
8.	Engineer	\$50,000	1 year	Section 30 of Engineers Registration Ordinance (Cap.409)

	Professions	Criminal Sanctions		Relevant statutory provisions
		Fine	Imprisonment	
9.	Social Worker	\$50,000	N/A	Section 35 of Social Workers Registration Ordinance (Cap.505)
10.	Certified Public Accountant	\$25,000	12 months	Section 42 of Professional Accountants Ordinance (Cap.50)