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Your Ref : LS/B/2/15-16

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5 April 2016

Ms Wendy KAN
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Dear Ms KAN,

Patents (Amendment) Bill 2015

Thank you for your letter dated 17 February 2016. Our responses to your questions are set out in the ensuing paragraphs. Unless stated otherwise, the provisions cited below refer to those of the Patents Ordinance (the Ordinance).

Part I: Legal Issues

(i) New Sections 37A and 37M(6)

2. The definition of “non-Hong Kong application” in the proposed new section 37A is not intended to cover a patent application made in Hong Kong. We agree that it would be prudent to clarify the definition of “non-Hong Kong application” to put the policy intention beyond doubt. We therefore propose to amend the definition as follows (amendments underlined): -

“non-Hong Kong application (非香港申請) means an application for a patent or other protection in or for a Paris Convention country or a WTO member country, territory or area, other than a patent application under this Ordinance.”

3. Similarly, we propose to amend paragraph (a) of the definition of “specified application” in the proposed new section 37M(6), and also the corresponding definitions under Part 15 on “Short-term Patents”, namely “non-Hong Kong application” and “specified application” under the new section 108A and the amended section 114(7)(a) respectively.

(ii) New Section 37B(2)(b)(ii)

4. Section 55 of the Patents (General) Rules (Cap. 514C) applies to an application for a standard patent (R) and specifies those exhibitions at which an invention can be non-prejudicially disclosed. Consistent with the nature of the re-registration system, section 55 reflects the corresponding criteria for non-prejudicial disclosure in designated patent offices. This alignment of criteria enables the novelty of the invention to be preserved in standard patent (R) applications.

5. Whereas another category of prescribed exhibitions under section 55(a) (i.e. any recognized international exhibition within the terms of the Convention on International Exhibitions signed at Paris on 22 November 1928) is commonly recognized by the laws of all the three designated patent offices, section 55(b) corresponds to an extra non-prejudicial criterion stated in the relevant law of the Mainland. Without section 55(b), an application for a standard patent (R) based on a corresponding patent application filed in the Mainland could lose novelty and fail to be patentable if prior disclosure of the invention was made at an exhibition described in section 55(b), even though the corresponding Mainland application fulfils the criteria for non-prejudicial disclosure under the laws of the Mainland.

6. On the other hand, the laws of designated patent offices on non-prejudicial disclosure are not relevant to standard patent (O) applications and short-term patent applications, which are filed directly and independently in Hong Kong. As such, there is no need to apply section 55(b) of Cap. 514C to the proposed new section 37B(2)(b)(ii) which governs non-prejudicial disclosure in respect of standard patent (O) applications. Instead, the criteria of non-prejudicial disclosure set out in the new section 37B(2)(b)(ii) is in line with that for short-term patent applications under the current section 109.

(iii) New Section 37C

7. It is correct that different approaches have been adopted in determining a right to priority under the new section 11B(5)(b) regarding standard patent (R) applications and, the new section 37C(3)(b) and (3)(c) regarding standard patent (O) applications. The proposed new section 11B, based on the existing section 98, relates to standard patent (R) applications. Consistent with the nature of the re-registration system, the new section 11B(3) which is based on the existing section 98(2), stipulates that the applicant of a standard patent (R) application enjoys the same right of priority as the right of priority enjoyed in respect of designated patent applications in designated patent offices. Since the precise requirements on the right to priority in each designated patent office are prescribed by the laws in the respective countries of the designated patent offices, it is unnecessary to prescribe these requirements in the Ordinance. Instead, it suffices for the new section 11B(5) which is based on the existing section 98(4), to refer to the relevant law of a designated patent office.

8. Conversely, standard patents (O) and short-term patents are applied for and granted directly and independently in Hong Kong. Therefore, the right to priority in respect of a standard patent (O)/short-term patent application does not depend on the corresponding laws of any other patent offices. Accordingly, the requirements for claiming priority in respect of such application need to be prescribed by the Ordinance and are set out in detail in the new section 37C(3)(b) and (3)(c), and 37C(4)(b) and (4)(c) (for a standard patent (O)) as well as the amended section 110(2)(b) and (2)(c), and 110(3)(b) and (3)(c) (for a short-term patent).

(iv) New Section 37Q(3)(b)(i)

9. The factor stated under the proposed new section 37Q(3)(b)(i) reflects the ground in the proposed new section 9A(5) which re-enacts the existing section 93(5)) for treating an invention as non-patentable, namely “*the **publication** or working of which would be contrary to public order (“ordre public”) or morality*” (emphasis added). Since section 9A(5) catches those inventions the publication (or working) of which would lead to the undesirable consequences, it would be consistent with the policy to empower the Registrar not to publish any matter in the specification which the relevant publication or working would lead to the undesirable consequences. We envisage that in practice, the Registrar will in most cases consider whether an invention fulfills the patentability requirements under section 9A(5) at the stage of substantive examination of a patent application. Accordingly, the Registrar will only consider exercising the power in the proposed section 37Q(3)(b)(i) in obvious cases where the invention is objectionable on its surface. In any case, in line with section 9A(5), the working of an invention is not to be regarded as contrary to public order (ordre public) for the purposes of section 37Q(3)(b)(i) only because it is prohibited by any law in force in Hong Kong.

10. Therefore, we suggest retaining the proposed new section 37Q(3)(b)(i).

(v) “Public Order (Ordre public)” under New Section 9A(5)

11. Regarding the use of the term “public order (ordre public)” in the proposed new section 9A(5) (which is an reenactment of the existing section 93(5)) to refer to a ground for rendering an invention non-patentable, the Court of Final Appeal’s observation in its judgment in *Leung Kwok Hung and Others v HKSAR* [2005] 3 HKLRD 164 was made with the focus in determining whether the discretion conferred on the authorities (the Commissioner of Police) under the then statutory scheme with criminal sanctions to restrict the right of peaceful assembly for the purpose of “public order (ordre public)” was too uncertain to satisfy the requirements of legal certainty in the restriction of a fundamental right. We consider that the context of the aforementioned case is factually distinguishable from the use of the term in the current context (i.e. patentability of inventions). In fact, in the context of patentability, the term has been used in both the World Trade Organization’s Agreement on

Trade-Related Aspects of Intellectual Property Rights (“WTO TRIPS”),¹ and the European Patent Convention.² Moreover, the same concept has also been elucidated in the Guidelines for Examination in the European Patent Office (EPO)³ and has been interpreted by the EPO Technical Boards of Appeal.⁴

12. Based on overseas practice and jurisprudence, we can generally state that inventions the publication or working of which would offend a fundamental principle of society can be regarded as contrary to “ordre public” and thus should be excluded from patent protection (i.e. not patentable). The concept of the term does not only cover the protection of public security (as in the aforementioned CFA case), but also the physical integrity of individuals as part of society, the protection of the environment and so on. Examples of non-patentable inventions which are contrary to “ordre public” include anti-personnel mines and the changing of the DNA genetic materials of plant cells that poses serious and irreversible environmental risks. Therefore, replacing “public order (ordre public)” with the term “public order” would only restrict the scope of the existing provisions, which is not in line with international patent practices and is not our policy intent.

13. The Patents Registry will compile its own examination guidelines of substantive examination on, amongst others, the patentability requirements under which the term “public order (ordre public)” will be expounded having regard to the meaning of the term as being used in international and foreign jurisprudence on patents. This will enhance the certainty of the term in the context of patentability of inventions.

14. Given that the term “ordre public” has appeared in major intellectual property treaties, including the WTO TRIPS, we have preserved propose preserving the term in the proposed new section 9A(5) in order to align with the best patent practices in the international community.

¹ Article 27(2) of WTO TRIPS states that WTO members may “exclude from patentability inventions, the prevention within their territory of the commercial exploitation of which is necessary to protect ordre public or morality, including to protect human, animal or plant life or health or to avoid serious prejudice to the environment, provided that such exclusion is not made merely because the exploitation is prohibited by their law.”

² Article 53(1) of the European Patent Convention states that –

“European patents shall not be granted in respect of:

(a) inventions the commercial exploitation of which would be contrary to “ordre public” or morality; such exploitation shall not be deemed to be so contrary merely because it is prohibited by law or regulation in some or all of the Contracting States; ... ”

³ Part G-11, Chapter II, paragraph 4.1 of the Guidelines for Examination in EPO

⁴ T356/93 *PLANT GENETIC SYSTEMS/Glutamine synthetase inhibitors* [1995] O.J. EPO 545

(vi) New Section 37V(2)

15. The proposed new section 37V(1) requires that the Registrar of Patents, if he/she is of the opinion that a standard patent (O) application does not comply with any examination requirement, to inform the applicant of the opinion by written notice. Section 37V(2) further requires the Registrar to set out in the written notice each examination requirement that, in the Registrar's opinion, is not complied with by the standard patent (O) application.

16. Section 37V does not expressly require the Registrar to give reason(s) for his/her opinion. This mirrors the approach adopted in the corresponding statutory provisions in the local legislation on trade marks⁵. However, we are of the view that the requirement to give reasons is already implicit in the statutory scheme. First, the Registrar must set out each examination requirement which is not complied with (section 37V(2)). . Second, under the proposed sections 37V(3) and 37W, the applicant has the right to respond to the written notice by filing a representation, requesting amendment of the application and/or requesting a review of the Registrar's opinion, and the Registrar must consider such representations or amendments or review his/her opinion. Moreover, the Registrar's decision is subject to appeal to the Court of First Instance under section 130. Finally, the Registrar, in discharging his/her statutory functions in determining whether a patent should be granted, is bound by the duty to act fairly. In effect, the Registrar is bound to give reasons for his/her opinion so as to enable the applicant to make an informed decision on how to properly respond to the official action and also facilitate the Registrar's consideration of the applicant's response in further determining whether the application should be granted or not. It is also in the interest of the Registrar to give reasons for his/her opinion in order to avoid unnecessary dispute or challenges.

17. In light of the above, we consider that it is not necessary for the new section 37V(2) to specifically refer to the Registrar's duty to give reason in the written notice to the applicant.

(vii) New Section 37ZD

Part (a)

18. Section 37ZD applies the relevant provisions of sections 28, 29 and 30 to standard patent (O) applications, subject to necessary modifications. The intention is to enable the relevant provisions (including any future amendments thereto) to apply to standard patent (O) applications without the need to separately amend section 37ZD.

19. It is not necessary for section 37ZD to expressly refer to sections 28(4) and 29(4) as sections 28(2) and 29(2) would apply to standard patent (O) applications, and

⁵ See section 42(3) of the Trade Mark Ordinance (Cap 559) and section 13(1) of the Trade Marks Rules.

the Registrar may by regulation pursuant to sections 28(4) and 29(4) amend the time periods stated in section 28(2)(a) and 29(2)(a).

20. The same approach has already been adopted in the current section 123 concerning short-term patent applications without reference to sections 28(4) and 29(4).

Part (b)

21. Sections 15(4), 18(3), 19, 23(5) and 25(3)⁶ cited in your letter refer to deadlines for fulfilling the formality requirements in respect of a request to record or a request for registration and grant in the context of a standard patent (R) application.⁷

22. In respect of a standard patent (R) application, the 6-month deadlines for filing the request to record and the request for registration and grant, and the time-frame for fulfilling the relevant formality requirements, have to be strictly complied with.⁸ Accordingly, failure to comply with these deadlines is not subject to further processing or restoration of rights under the current sections 28 and 29. Such strict approach has the benefit of bringing certainty to third parties as to whether a designated patent applied for or granted in a designated patent office is subject to re-registration in Hong Kong within a definite time frame.

23. On the contrary, entitlement to apply for a standard patent (O) application does not hinge on any overseas patent application. Without the need to provide third parties with certainty of time frame concerning re-registration in Hong Kong of patents applied for and granted elsewhere, we take the view that it is not necessary to strictly prescribe any non-extendible deadline for filing a standard patent (O) application and for complying with the relevant formality requirements.

24. Based on the above considerations, we have not specified in the new section 37ZD(2) and (3) the following provisions concerning formality requirements: i.e. new sections 37L(5) and (6) (on payment of filing fee and advertisement fee), 37M(5) (on correcting deficiencies of the minimum requirements), 37P (on correcting deficiencies of the formal requirements) and 37T(2)(b) (on payment of examination fee).

⁶ We believe section 25(4) as cited as in your letter should properly refer to section 25(3).

⁷ The relevant provisions are as follows: -

- (a) section 15(4) on payment of filing fee and advertisement fee for a request to record;
- (b) section 18(3) on correcting deficiencies of the minimum requirements for a request to record;
- (c) section 19 on correcting deficiencies of the formal requirements for a request to record;
- (d) section 23(5) on payment of filing fee and advertisement fee for a request for registration and grant; and
- (e) section 25(3) on correcting deficiencies for a request for registration and grant.

⁸ A request to record must be filed within 6 months after the date of publication of the corresponding designated application in designated patent office whereas a request for registration and grant must be filed within 6 months after the date of grant of the corresponding designated patent by designated patent office or publication of the request to record, whichever is the later (see the current sections 15(1) and 23(2)).

Part II: Drafting Issues

(viii) Heading of Division 6 of new Part 3

25. The new Part 3 relates to standard patents under the original grant regime. Division 6 of that Part comprises sections 37Z to 37ZD. They deal with various matters relating to standard patent (O) applications, including divisional applications, amendment and withdrawal of applications, and further processing of and restoration of rights in applications. These must take place before the grant of the relevant standard patents (O).

26. In respect of sections 37Z(3)(a)(iii) and 37ZB(1), they respectively refer to new standard patent (O) applications and withdrawal of standard patent (O) applications "before preparations for publication under section 37X(2)(a) of the specification of the patent are completed". Under section 37X(2)(a), the specification of patents will be published after the grant of the patents. The preparation work for publication, however, must be completed before the actual grant of the patents. As such, the matters referred to in sections 37Z(3)(a)(iii) and 37ZB(1) must take place before the grant of the patents and we consider that the proposed Division heading "Provisions on Standard Patent (O) Applications before Grant" is an accurate description of the coverage of the Division.

(ix) Heading of new Division 7 of Part 2

27. The new Division 7 of Part 2 includes sections 31 to 37 of the Ordinance. Those sections are currently placed under Part III (Provisions as to Applications for Standard Patents before Grant). As those sections only relate to standard patents (R), it is considered more appropriate to place them under Part 2 of the Ordinance (as amended by this Bill). The heading of the new Division 7, based on the current heading of Part III, is proposed to be adapted to "Provisions on Standard Patent (R) Applications before Grant".

28. Those sections deal with various matters relating to standard patents (R) applications, including amendment, withdrawal, maintenance and restoration of applications, refusal to record designated patent applications and refusal to register designated patents. These must take place before the grant of the relevant standard patents (R).

29. In respect of section 36, the provision provides that withdrawal of standard patents (R) applications, requests to enter records of divisional applications and amendment of applications will not be allowed after "the date on which preparations for publication under section 27(3) of the specification of the patent are completed". Under section 27(3), the specification of patents will be published after the grant of the patents. The preparation work for publication, however, must be completed before the actual grant of the patents. As such, the matters referred to in section 36 must take place before the grant of the patents.

30. Accordingly, we consider that the proposed Division heading is an accurate description of the coverage of the Division.

Yours sincerely,

A handwritten signature in black ink, consisting of a stylized 'K' followed by a vertical line and a small dot.

(Mr Kevin LI)

for Secretary for Commerce and Economic Development

c.c. Ms Mabel CHEUNG, Senior Assistant Law Draftsman (Acting)
Mr Gary LI, Government Counsel
Miss S K LEE, Deputy Director of Intellectual Property
Mr Thomas TSANG, Assistant Director of Intellectual Property