

立法會
Legislative Council

LC Paper No. LS9/15-16

**Paper for the House Committee Meeting
on 13 November 2015**

**Legal Service Division Report on
Patents (Amendment) Bill 2015**

I. SUMMARY

- 1. The Bill**

The Bill amends the Patents Ordinance (Cap. 514) to –

 - (a) provide for a new system for original grant of standard patents;
 - (b) refine the current short-term patent system by providing for substantive examination of short-term patents and making other technical amendments;
 - (c) prohibit the use of certain titles and descriptions in providing patent agency services; and
 - (d) provide for related and transitional matters.
- 2. Public Consultation**

Public consultation has been conducted and the Advisory Committee on Review of the Patent System in Hong Kong has been set up to provide input to the Administration for formulating the legislative proposals.
- 3. Consultation with LegCo Panel**

The Panel on Commerce and Industry was briefed on the legislative proposals on 21 April 2015. While members generally supported the Administration's proposals, enquiries and concerns were raised on a number of issues.
- 4. Conclusion**

The Legal Service Division is still scrutinizing the legal and drafting aspects of the Bill. Since the Bill introduces significant changes to the current patent system in Hong Kong, Members may wish to form a Bills Committee to study it in detail.

II. REPORT

The date of First Reading of the Bill is 11 November 2015. Members may refer to the LegCo Brief (File Ref.: CITB 06/18/23) issued by the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau on 28 October 2015 for further details.

Object of the Bill

2. The Bill amends the Patents Ordinance (Cap. 514) to –
- (a) provide for a new system for original grant of standard patents;
 - (b) refine the current short-term patent system by providing for substantive examination of short-term patents and making other technical amendments;
 - (c) prohibit the use of certain titles and descriptions in providing patent agency services; and
 - (d) provide for related and transitional matters.

Background

3. Currently, there are two types of patents which may be granted in Hong Kong under Cap. 514, namely, standard patents and short-term patents. A standard patent is granted if a prior grant has been obtained in one of the three designated patent offices¹. This is generally referred to as a "re-registration" system. Under section 39 of Cap. 514, a standard patent has a maximum term of 20 years. Short-term patents, on the other hand, have a maximum term of eight years. An applicant needs to file, among others, a search report in relation to the invention in support of the application. The Registrar of Patents (the Registrar) will not conduct a substantive examination as to whether the invention underlying an application for a standard patent or a short-term patent fulfills the necessary requirements, in particular, the patentability requirements².

¹ These offices are the State Intellectual Property Office of the People's Republic of China, the European Patent Office (in respect of patents granted under the European Patent Convention designating the United Kingdom) and the United Kingdom Patent Office.

² An invention is patentable if it is new, involves an inventive step and is susceptible of industrial application.

Provisions of the Bill

Standard patents by original grant

4. Clause 45 of the Bill adds a new Part 3 to Cap. 514 to provide for a new system for original grant of standard patents. This new system will run concurrently with the current re-registration system for standard patents. Under this new system, apart from examining whether the formality requirements of a standard patent application are complied with, the Registrar is required to conduct a substantive examination of the application to determine whether the application has satisfied the prescribed examination requirements. These requirements include the patentability of the invention and the disclosure of the invention. If the Registrar is of the opinion that the application complies with all the examination requirements, the Registrar must grant a standard patent for the invention. The effect of this new system is that an applicant may file an application for a standard patent directly in Hong Kong without first obtaining a patent from a designated patent office outside Hong Kong.

Refining the short-term patent system

5. Clause 120 of the Bill adds a new Division 5 to Part 15 of Cap. 514 to provide for the legal and procedural framework for conducting a substantive examination of short-term patents by the Registrar. Where a request for carrying out a substantive examination is made, the Registrar must examine the patent and consider, if requested, any amendment to the patent's specification, to determine whether the patent, together with the amendment (if allowed), complies with all the prescribed requirements including the patentability of the invention. If the Registrar is of the opinion that all the prescribed requirements are complied with, the Registrar must issue a certificate of substantive examination in respect of the short-term patent; otherwise, the Registrar must revoke the short-term patent.

6. Other amendments for refining the current regime on short-term patents include the following –

- (a) to provide for, in relief proceedings relating to a threat alleging an infringement of a short-term patent, the matters that the defendant is required to prove, failing which the plaintiff would be entitled to the relief claimed; and

- (b) to provide for further powers of the court in proceedings in which the validity of a short-term patent is put in issue. These powers include the powers to direct the patent to be subjected to a substantive examination and stay the proceedings pending the outcome of the examination.

Prohibiting the use of certain titles and descriptions in providing patent agency services

7. Clause 129 of the Bill adds a new section 144A to Cap. 514 for prohibiting any person from using or from permitting the use of certain titles and descriptions (like "certified patent attorney") in the course of or in connection with the person's business, trade or profession, with certain exemptions provided. Contravention of the new section is an offence punishable by a fine of \$500,000 upon conviction.

Other amendments

8. The Bill also introduces other amendments to Cap. 514 which are incidental to the introduction of the original grant standard patent system and the amendments to the short-term patent system. It also makes various drafting amendments to Cap. 514 to improve the presentation of some of the provisions to bring it in line with the latest drafting conventions.

Commencement

9. The Bill, if passed, would come into operation on a day to be appointed by the Secretary for Commerce and Economic Development by notice published in the Gazette.

Public Consultation

10. According to paragraphs 2 and 22 of the LegCo Brief, the Administration launched a public consultation exercise on the review of the patent system in Hong Kong in October 2011 and set up the Advisory Committee on Review of the Patent System in Hong Kong (the Advisory Committee). On the regulation of patent practitioners, the Administration conducted a round of stakeholders' consultation from March to May 2013. The Advisory Committee has also set up a dedicated working group to engage the major local professional bodies for their views on the interim regulatory measures for the profession. According to the LegCo Brief, the current proposals have taken into account views of the Advisory Committee and its working group.

Consultation with LegCo Panel

11. As advised by the Clerk to the Panel on Commerce and Industry, the Panel was consulted on the legislative proposals on 21 April 2015. Members had no objection to the proposals and called for an early implementation of the new patent system to keep pace with the international trend and facilitate the development of Hong Kong into a regional innovation and technology hub. Some members expressed concern about the transition of existing experienced practitioners to the regulatory regime. Members enquired about the level of application fees and urged the Administration to formulate a long-term human capital development plan for the patent industry, progressively develop Intellectual Property Department's own substantive examination capability and enhance its international cooperation networks with other patent offices.

Conclusion

12. The Legal Service Division is still scrutinizing the legal and drafting aspects of the Bill. Since the Bill introduces significant changes to the current patent system in Hong Kong, Members may wish to form a Bills Committee to study it in detail.

Prepared by

KAN Wan-yee, Wendy
Assistant Legal Adviser
Legislative Council Secretariat
11 November 2015