立法會 Legislative Council

LC Paper No. CB(1)309/16-17 (These minutes have been seen by the Administration)

Ref: CB1/PL/CI

Panel on Commerce and Industry

Minutes of meeting held on Tuesday, 15 November 2016, at 2:30 pm in Conference Room 1 of the Legislative Council Complex

Members present: Hon WU Chi-wai, MH (Chairman)

Hon SHIU Ka-fai (Deputy Chairman)

Hon James TO Kun-sun Hon LEUNG Yiu-chung

Hon Abraham SHEK Lai-him, GBS, JP Hon Jeffrey LAM Kin-fung, GBS, JP Hon WONG Ting-kwong, SBS, JP Hon CHAN Kin-por, BBS, JP

Hon Mrs Regina IP LAU Suk-yee, GBS, JP

Hon Paul TSE Wai-chun, JP Hon LEUNG Kwok-hung Hon YIU Si-wing, BBS

Hon MA Fung-kwok, SBS, JP

Hon Charles Peter MOK Hon CHAN Chi-chuen

Hon Alice MAK Mei-kuen, BBS, JP

Dr Hon KWOK Ka-ki

Hon Dennis KWOK Wing-hang

Hon Christopher CHEUNG Wah-fung, SBS, JP

Dr Hon Fernando CHEUNG Chiu-hung

Dr Hon Helena WONG Pik-wan

Dr Hon Elizabeth QUAT, JP

Hon Martin LIAO Cheung-kong, SBS, JP

Dr Hon CHIANG Lai-wan, JP

Ir Dr Hon LO Wai-kwok, SBS, MH, JP

Hon CHUNG Kwok-pan

Hon Alvin YEUNG

Hon Andrew WAN Siu-kin Hon Jimmy NG Wing-ka, JP Dr Hon Junius HO Kwan-yiu, JP

Hon LAM Cheuk-ting

Hon Holden CHOW Ho-ding

Hon YUNG Hoi-yan Hon CHAN Chun-ying Hon Tanya CHAN

Hon Jeremy TAM Man-ho Dr Hon YIU Chung-yim

Member attending: Hon Steven HO Chun-yin, BBS

Members absent : Hon WONG Kwok-kin, SBS, JP

> Hon KWOK Wai-keung Hon CHU Hoi-dick Hon HO Kai-ming Hon SHIU Ka-chun

Hon CHEUNG Kwok-kwan, JP

Hon HUI Chi-fung Hon LUK Chung-hung Hon LAU Kwok-fan, MH

Hon Kenneth LAU Ip-keung, MH, JP

Hon Nathan LAW Kwun-chung

Dr Hon LAU Siu-lai

Public officers attending

Agenda item IV

Commerce and Economic Development Bureau

Mr Godfrey LEUNG, JP

Acting Secretary for Commerce and Economic

Development

Miss Fabia TAM

Principal Assistant Secretary

for Commerce and Economic Development

(Commerce and Industry) 3

Intellectual Property Department

Ms Michelle CHONG

Assistant Director of Intellectual Property (Copyright)

Miss Maggie WONG

Senior Solicitor (Advisory) 2

Inland Revenue Department

Mr CHIU Kwok-kit, JP

Deputy Commissioner (Technical)

Agenda item V

Commerce and Economic Development Bureau

Mr Godfrey LEUNG, JP

Acting Secretary for Commerce and Economic

Development

Miss Fabia TAM

Principal Assistant Secretary

for Commerce and Economic Development

(Commerce and Industry) 3

<u>Intellectual Property Department</u>

Ms Ada LEUNG, JP

Director of Intellectual Property

Mr Thomas TSANG

Assistant Director of Intellectual Property (Patents)

Clerk in attendance: Mr Desmond LAM

Chief Council Secretary (1)3

Staff in attendance: Miss Winnie LO

Assistant Legal Adviser 7

Ms Connie HO

Senior Council Secretary (1)3

Ms May LEUNG Legislative Assistant (1)3

I. Confirmation of minutes of meeting

(LC Paper No. CB(1)70/16-17 -- Minutes of meeting held on 18 October 2016)

The minutes of the meeting held on 18 October 2016 were confirmed.

II. Information papers issued since last meeting

(File Ref: CITB CR 75/53/4 and CITB CR 75/53/5/1

-- Legislative Council Briefs on United Nations Sanctions (Democratic Republic of the

Congo) Regulation 2016 and United Nations Sanctions (South

Sudan) Regulation 2016

LC Paper No. CB(1)39/16-17(01) -- Information paper on "The 19th

Plenary of the Hong Kong/Guangdong Co-operation

Joint Conference"

LC Paper No. CB(1)48/16-17(01) -- Information paper on the

financial position of the Applied Research Fund for the period from 1 March to 31 May 2016

LC Paper No. CB(1)59/16-17(01) -- Letter dated 28 October 2016

from Hon Charles Peter MOK suggesting a number of items for

discussion by the Panel

LC Paper No. CB(1)115/16-17(02) -- Information paper on "Report on

the Work of the Overseas Hong Kong Economic and Trade

Offices"

LC Paper No. CB(1)115/16-17(03) -- Information paper on "Report on

the Work of The HKSAR Government's Offices in the

Mainland and Taiwan"

- LC Paper No. CB(1)115/16-17(04) -- Information paper on "Trade Relations between Hong Kong and Taiwan"
- LC Paper No. CB(1)115/16-17(05) --Information paper on "Proposed Amendments to the Schedules to the Patents Ordinance (Cap. 514), Registered **Designs** Ordinance (Cap. 522), Trade Marks Ordinance (Cap. 559) and Layout-design (Topography) of Integrated Circuits (Designation of Qualifying Countries. Territories or Areas) Regulation (Cap. 445B)")
- 2. <u>Members</u> noted the above papers issued since the last meeting. <u>The Chairman</u> drew members' attention to the following papers issued –

"Report on the Work of the Overseas Hong Kong Economic and Trade Offices", "Report on the Work of The HKSAR Government's Offices in the Mainland and Taiwan" and "Trade Relations between Hong Kong and Taiwan"

- 3. The Chairman said that the Administration planned to brief members on the above subjects when the heads of overseas economic and trade offices ("ETOs") and offices on the Mainland and Taiwan were in Hong Kong in the week of 17 October 2016. Given that the timing did not tie in with the schedule of regular Panel meetings and thus a meeting could not be arranged, the Administration had provided information papers on the subjects for members' consideration.
- 4. <u>Members</u> also noted that the Administration had included in the reports (LC Paper No. CB(1)115/16-17(02) and (03)) the relevant information as requested by members at the meeting on 20 October 2015 that overseas ETOs and offices on the Mainland and Taiwan should include in the future work report their observations on policies affecting and proposals for enhancing the bilateral trade relations between Hong Kong and the countries or places under their purview.
- 5. <u>The Chairman</u> advised that members who considered it necessary to discuss the above subjects at a Panel meeting should contact the Secretariat for further arrangement with the Administration.

"Proposed Amendments to the Schedules to the Patents Ordinance (Cap. 514), Registered Designs Ordinance (Cap. 522), Trade Marks Ordinance (Cap. 559) and Layout-design (Topography) of Integrated Circuits (Designation of Qualifying Countries, Territories or Areas) Regulation (Cap. 445B)"

6. The Chairman said that the paper (LC Paper No. CB(1)115/16-17(05)) informed members of the technical amendments to be proposed by the Administration to the respective Schedules to the abovementioned Ordinances. These amendments sought to update these Schedules which set out the membership list of the World Trade Organization. The Administration planned to table the four pieces of subsidiary legislation at the Legislative Council ("LegCo") for negative vetting by early 2017. Members noted.

III. Date of next meeting and items for discussion

(LC Paper No. CB(1)90/16-17(01) -- List of outstanding items for discussion

LC Paper No. CB(1)90/16-17(02) -- List of follow-up actions)

- 7. <u>Members</u> noted that the next regular Panel meeting would be held on 20 December 2016 from 2:30 pm to 4:30 pm to discuss the following items proposed by the Administration
 - (a) Plurilateral initiatives for promoting trade; and
 - (b) Continuing the Technology Start-up Support Scheme for Universities after 2016-2017

List of outstanding items for discussion

8. The Chairman informed members that he and the Deputy Chairman had met with the Administration on 31 October 2016 to discuss the work plan of the Panel in the 2016-2017 legislative session. He said that the "List of outstanding items for discussion" ("the List") had already included the issues proposed by members at the meeting on 18 October 2016 as well as those suggested by Mr Charles Peter MOK in his letter dated 28 October 2016 to the Panel Chairman (LC Paper No. CB(1)59/16-17(01)). Members' views were sought on the Administration's suggestions for deleting the following items from the List –

Promoting the industrialization of the beauty industry in Hong Kong (item 16)

9. <u>Members</u> noted the Administration's suggestion that the above item be discussed by the Panel on Health Services ("HS Panel") in view that a joint

meeting of HS Panel and the Panel on Commerce and Industry ("CI Panel") was held on 23 June 2015 to discuss the relevant subject and receive views from deputations on the item "Regulation and development of beauty services". In addition, the Administration planned to discuss the issues related to the use of medical devices commonly used in beauty procedures at HS Panel in December 2016. According to the Administration, the beauty trade considered the regulatory framework of medical devices commonly used in beauty procedures an important issue in the trade's development.

10. The Deputy Chairman considered that the focus of the discussion at HS Panel on the regulation of medical devices commonly used in beauty procedures would likely be on the technical side, and was of the view that CI Panel should follow up the development of the beauty industry from the industrialization perspective. Dr Helena WONG and Mrs Regina IP expressing a similar view added that the Government should formulate an industrial policy dedicated to the support of developing the beauty industry. The Chairman concluded that CI Panel did not agree to the Administration's suggestion.

Innovation and Technology Fund for Better Living (Item 19)

- 11. The Chairman informed members that the above item was raised by Mrs Regina IP at the Panel meeting on 18 October 2016. The Administration said that the Innovation and Technology Fund for Better Living ("ITFBL") was discussed at the Panel on Information Technology and Broadcasting ("ITB Panel") on 13 June 2016. ITFBL was expected to be launched in the second quarter of 2017 and the Administration would report to ITB panel on the operations of ITFBL in July 2017. As members of CI Panel would be invited to join the discussion of the item, the Administration proposed to remove the above item from the List.
- 12. Whilst agreeing to the proposed arrangement, Mrs Regina IP and Mr Charles Peter MOK suggested that the Administration should, as soon as practicable, brief ITB Panel and CI Panel on the implementation details of ITFBL prior to its launch, so that members' latest views on ITFBL could be taken into account to facilitate a smooth implementation. The Clerk was requested to convey the relevant views of members to ITB Panel.

(*Post-meeting note*: The Clerk had, vide a memo to the Clerk of ITB Panel dated 17 November 2016, conveyed the relevant views of members to the Chairman of ITB Panel for consideration.)

Operation of the Innovation and Technology Fund (Item 20)

13. The Chairman informed members that the Administration had suggested removing the above item from the List as the operation of Innovation and Technology Fund would be discussed under item 9 "Progress on the recent implementation of various new schemes under the Innovation and Technology Fund". Raising no objection to the suggestion, Mr Charles Peter MOK advised that sufficient time should be allocated for discussion of the item at the relevant meeting.

IV. Legislative proposal to expand the scope of tax deduction for capital expenditure incurred for the purchase of intellectual property rights

(LC Paper No. CB(1)90/16-17(03) -- Administration's paper on "Profits Tax Deduction for Capital Expenditure incurred for the Purchase of Intellectual Property Rights"

LC Paper No. CB(1)90/16-17(04) -- Paper on tax deduction for capital expenditure incurred for the purchase of intellectual property rights prepared by the Legislative Council Secretariat (background brief))

Presentation by the Administration

14. At the invitation of the Chairman, Acting Secretary for Commerce and Economic Development ("SCED(Atg.)") briefed members on a legislative proposal to implement the 2016-2017 Budget initiative in respect of the expansion of the scope of tax deduction for capital expenditure incurred for the purchase of intellectual property rights ("IPRs") from the existing five categories to eight to encourage the creation and commercialization of intellectual property ("IP"). The three additions were layout-design (topography) of integrated circuits, plant varieties and rights in performances. Details of the proposal were set out in the Administration's paper (LC Paper No. CB(1)90/16-17(03)). Subject to progress, the Administration aimed to introduce the legislative proposal into LegCo in the first quarter of 2017.

Discussion

Tax concession for research and development expenditure incurred by enterprises

- 15. <u>Ir Dr LO Wai-kwok</u> expressed support for the Administration's legislative proposal to expand the scope of tax deduction for capital expenditure incurred for the purchase of IPRs. As a separate yet related issue, Ir Dr LO urged the Administration to consider the suggestion of the Business and Professionals Alliance for Hong Kong to introduce a 200% or 300% tax concession for research and development ("R&D") expenditure incurred by enterprises to drive R&D investment of the private sector, which could also encourage enterprises to more actively engage in the development of IP-related business. Pointing out that similar tax concession measures had been implemented in other jurisdictions as an incentive to promote innovation and technology development, Ir Dr LO considered the Administration's stance in this regard too conservative. Mr Charles Peter MOK concurred with Ir Dr LO's view. The Deputy Chairman added that the Liberal Party also supported the Administration's proposal, and urged the Administration to put in place necessary policy measures to facilitate the development of various industries and boost Hong Kong's economy.
- 16. <u>SCED(Atg.)</u> advised that in considering the introduction of any new tax deduction measures in connection with IPRs, the Administration had to take into account Hong Kong's prevailing taxation policy and principles, effectiveness of similar measures in other jurisdictions and whether the proposed measures would be regarded as a harmful tax practice under relevant international regulations. He added that currently the Patent Application Grant administered by the Innovation and Technology Commission had been providing funding support of up to \$250,000 to Hong Kong companies and inventors in their first patent application to help them protect and commercialize their intellectual work.
- 17. <u>Deputy Commissioner (Technical)</u>, <u>Inland Revenue Department</u> ("DC(T), IRD") added that enterprises' expenditure on R&D already enjoyed full tax deduction pursuant to the Inland Revenue Ordinance (Cap. 112) ("IRO"). Under the existing provisions of IRO, the term "Research and Development" covered any studies relating to markets, business and management.

Proposed expansion of the scope of tax deduction

18. Pointing out that the IPRs proposed for inclusion in the scope of tax deduction, namely layout-design (topography) of integrated circuits, plant varieties and rights in performances might not be too relevant to major industries in Hong Kong, Mr Charles Peter MOK enquired about the justifications for adding the proposed three types of IPRs to the scope of tax deduction. Mr MOK also enquired whether the Administration had evaluated the economic benefit

expected to be generated by the proposal, and whether the scope of tax deduction would be further expanded to cover other types of IPRs in the future.

- 19. <u>SCED(Atg.)</u> advised that the expansion of the scope of tax deduction for the purchase of IPRs was one of the 28 measures recommended by the Working Group on IP Trading in March 2015 for promoting Hong Kong as a regional IP trading hub. Upon the inclusion of the proposed three types of IPRs, all major IPRs in Hong Kong would have been covered by the tax deduction measure. It was expected that the relevant industries would be also supportive of the proposal. At the request of <u>Mr Charles Peter MOK</u>, the Administration would provide the Panel with information on the evaluation of the economic benefits expected to be generated by the proposed expansion of the scope of tax deduction.
- 20. In response to Mrs Regina IP's enquiry, <u>DC(T)</u>, <u>IRD</u> advised that the one-off purchase cost of the prescribed IPRs, as well as the associated legal fees and maintenance costs, were tax deductible. There was no ceiling set for the relevant tax deduction.
- 21. Mr Jimmy NG remarked that it was a common practice in Hong Kong for enterprises of the industrial sector to set up headquarters in Hong Kong and the production base on the Mainland. He enquired whether the cost incurred for the purchase of prescribed IPRs in Hong Kong which were used in the Mainland for production purpose would be eligible for tax deduction. DC(T), IRD replied that tax deduction was allowable on the condition that the relevant IPR was used in the production of chargeable profits in Hong Kong. In general, where a relevant IPR was used partly in the production of chargeable profits, deduction would be allowed for the percentage of capital expenditure relevant to the use of that IPR for production of chargeable profits. He added that if the relevant IPR was purchased for use partly in and partly outside Hong Kong, the expenditure allowable for tax deduction would be subject to the extent of its use in the production of Hong Kong chargeable profits, which could be determined by means of apportionment of gross profits, for example.

Plant varieties

22. Whilst expressing support for the legislative proposal, the Chairman was concerned whether there would be any contradiction in respect of the treatment of new varieties of plants deriving from genetic modifications in the current legislative proposal and other relevant local legislation, such as the Food Safety Ordinance (Cap. 612). SCED(Atg.) advised that the Plant Varieties Protection Ordinance (Cap.490) ("PVPO") provided for the granting of plant variety rights to owners of plant varieties over cultivated plant variety they had bred or discovered and developed, regardless of the method by which they were bred or discovered and developed. PVPO had no restriction on the registration for

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plants variety rights by owners of new plant varieties deriving from genetic modifications.

Rights in performances

- 23. In response to the Chairman's enquiry, <u>Assistant Director of Intellectual Property (Copyright)</u> ("ADIP(C)") advised that rights in performances included the performers' rights and the rights of persons who were entitled to make fixations of the performances for commercial exploitation. Performers' rights also covered the performers' economic rights of reproduction, distribution, making available to the public and rental right as provided under the Copyright Ordinance (Cap. 528) which were assignable.
- 24. Referring to Mr Holden CHOW's enquiry, <u>ADIP(C)</u> clarified that the cost incurred by a company for obtaining authorization from a performer to make fixations of the concerned performances for commercial exploitation would be tax deductible pursuant to the proposed tax deduction arrangement relating to rights in performances.
- 25. Mr MA Fung-kwok expressed support for the Administration's legislative proposal and enquired about the impact of the proposal on the performing arts industry. He also urged the Administration to step up publicity on the proposed tax deduction measures upon the passage of the legislative proposal such that the concerned enterprises could be fully aware of the relevant arrangements.
- 26. <u>SCED(Atg.)</u> advised that the objective of the proposal was to encourage enterprises to engage in the development of IP-related business and promote Hong Kong as a regional IP trading hub. As the recording companies and artists were expected to benefit from the relevant arrangements, <u>SCED(Atg.)</u> considered that the proposed tax deduction measure relating to purchase of IPR of rights in performances would be beneficial to the development of the performing arts industry.
- 27. On publicity front, <u>SCED(Atg.)</u> advised that the Intellectual Property Department ("IPD") had been organizing training programmes relating to IP management and commercialization for enterprises on an on-going basis for building up their relevant manpower capacity. Besides, the Inland Revenue Department ("IRD") would be tasked with disseminating information on the expanded scope of tax deduction to the concerned professionals, such as lawyers and accountants. The relevant information would also be included in the tax returns forms for corporate and individual taxpayers, as well as the departmental interpretation and practice notes of IRD which were public documents. In addition, both IPD and IRD would publicize the tax deduction arrangements on their respective websites.

28. Noting that both an individual or a company could be the owner of proprietary rights in respect of an IP, <u>Mr CHAN Chi-chuen</u> enquired whether individual performer could enjoy the same proposed profits tax deduction in question. <u>DC(T), IRD</u> explained that individual owner of an IPR could enjoy tax deduction if the relevant IPR is owned under the person's sole proprietorship.

Summing up

29. The Chairman concluded that the Panel supported the Administration's legislative proposal in principle. He requested the Administration to take note of members' views on issues relating to the implementation of the proposal, as well as to study whether the proposed expansion of the scope of tax deduction to cover the purchase of IPRs, such as plant varieties rights, would have any conflict with other legislation. The Administration was requested to address members' concerns in the legislative proposal to be submitted to LegCo in the future.

V. Progress of implementation of the patents reform and review of the manpower support for the implementation

(LC Paper No. CB(1)90/16-17(05) -- Administration's paper on "Progress of Implementation of the Patents Reform and Review of the Manpower Support for the Implementation"

LC Paper No. CB(1)90/16-17(06) -- Paper on progress of implementation of the patents reform prepared by the Legislative Council Secretariat (background brief))

Presentation by the Administration

30. At the invitation of the Chairman, <u>Acting Secretary for Commerce and Economic Development</u> ("SCED(Atg.)") briefed members on the progress that had been made in implementing a new patent system in Hong Kong, key tasks that needed to be accomplished in the medium to long run, and the manpower support required under review, details of which were set out in the Administration's paper (LC Paper No. CB(1)90/16-17(05)). <u>SCED(Atg.)</u> said that the Administration had been reviewing the long-term manpower requirement in terms of organization setup and directorate leadership of the Intellectual Property Department ("IPD") to follow through the patent reform. The Administration would keep members informed of the outcome of the review as

soon as practicable and seek members' support for any proposal as might be needed.

Discussion

Grooming of talents

- 31. Pointing out that the operation of the patent system in the United States was supported by a pool of professionals in the patent industry, including patent attorneys and scientists with interdisciplinary knowledge, Mrs Regina IP enquired as to the Administration's plan for the grooming of requisite talents in the legal, science and engineering disciplines to support the operation of the original grant patent ("OGP") system in Hong Kong. Mrs IP suggested that the Commerce and Economic Development Bureau ("CEDB") should step up collaboration with the Education Bureau ("EDB") in promoting science, technology, engineering and mathematics ("STEM") education to nurture more talents of science and technology for the patent industry.
- 32. SCED (Atg.) advised that IPD had entered into a cooperative agreement with the State Intellectual Property Office of the Mainland ("SIPO") in December 2013 under which SIPO agreed to provide technical assistance and support to IPD in conducting substantive examination of patent applications and also in manpower training under the new patent system. IPD planned to develop in incremental stages its in-house capacity in conducting indigenous substantive examination in the medium to long term following the establishment of the OGP system. On the other hand, the proposed set-up of the new examination unit at the Patents Registry for processing cases under the OGP system would comprise examiners with credentials in three major technical areas, namely chemistry, electricity and mechanical engineering. It was believed that the establishment of OGP system would encourage more students to undertake studies in science and engineering disciplines in universities. SCED(Atg.) took note of Mrs Regina IP's suggestion on enhancing collaboration between CEDB and EDB in promoting STEM education.
- 33. <u>Director of Intellectual Property</u> ("DIP") added that local universities were in the course of developing patent-related programmes. For instance, the School of Law of the City University of Hong Kong offered courses relating to patent law, practical skills on patent search and strategic use of patent information. Besides, the Master of Laws programme of the University of Hong Kong offered courses in respect of patent drafting. She added that IPD had also sponsored training courses and workshops on patent drafting and also on the qualification of patent agency practice in the Mainland, such as those separately organized by the Hong Kong Productivity Council and the Federation of Hong Kong Industries. It was anticipated that more patent-related courses and training programmes

would be offered by local universities and industry organizations in the future to nurture talents with professional knowledge on patent.

Competitiveness of the new patent system

- 34. As patent protection was territorial in nature, <u>Mrs Regina IP</u> queried whether there would be sufficient demand to sustain a cost-effective OGP system given the small market in Hong Kong.
- Noting that the Patent Prosecution Highway ("PPH") programmes could help expedite the processing of patents applications in other countries, the Chairman enquired about the preconditions for Hong Kong to set up PPH. To enhance the competitiveness of the new patent system to attract more users, the Chairman was of the view that Hong Kong should set up PPH with other patent offices as early as possible. The Chairman also advised that the Administration should make reference to Singapore's experience in the establishment of the OGP system during implementation of the new patent system in Hong Kong. He was concerned whether the quality of patents granted under the new patent system in the future would be up to international standard.
- 36. SCED (Atg.) said that the establishment of the new OGP system was a strategic move to promote R&D and IP trading activities in Hong Kong. Besides, the OGP system accepted Chinese as one of the official languages for filing of patent applications and allowed local companies to apply for standard patent protection in Hong Kong directly without going through a designated patent office, thus providing an efficient and user-friendly filing route for local applicants. Given that patent protection was territorial in nature, there was no international norm that patents granted by a national patent office would receive automatic recognition by another patent office. However, upon the establishment of the new OGP system, Hong Kong would be in a better position to negotiate for setting up PPH with other patent offices to expedite the examination process, which would facilitate OGP applicants to seek patent protection in other jurisdictions, thereby enhancing the attractiveness of the OGP system.
- 37. Regarding the preconditions for pursuing PPH, <u>DIP</u> explained that under PPH, a patent applicant could request an accelerated processing of patent application at the patent office of second filing, when the patent office of the first filing had already found corresponding patent claims allowable. Accordingly, it was essential for a patent authority to build up its international credibility in patent examination so that it could be in a better position to negotiate with other patent authorities for PPH. Given that SIPO had entered into PPH programmes with at least 20 patent offices and that SIPO would provide technical assistance in conducting substantive examination of patent applications filed under the OGP

route in Hong Kong, the Administration would consider initiating discussions with other patent authorities for establishing bilateral and plurilateral PPHs in due course after rolling out the new patent system.

Manpower support for Intellectual Property Department

38. <u>Ir Dr LO Wai-kwok</u> declared that he was a member of the Bills Committee on Patents (Amendment) Bill 2015. Expressing support for the establishment of the new OGP system in Hong Kong, <u>Ir Dr LO</u> urged the Administration to complete the manpower review and submit proposal, if any, to LegCo as early as possible so as to provide IPD with the necessary manpower to take forward the work relating to the implementation of the new patent system. <u>SCED(Atg.)</u> noted Ir Dr LO's view and advised that the Administration would keep members informed of the outcome of the review on IPD's long-term manpower requirement in due course.

Summing up

39. <u>The Chairman</u> advised that the Administration should, in the relevant establishment proposal to be submitted to LegCo in the future, address members' concerns expressed at the meeting, including the concern on the cost-effectiveness of the new patent system.

VI. Any other business

40. There being no other business, the meeting ended at 3:52 pm.

Council Business Division 1
<u>Legislative Council Secretariat</u>
14 December 2016