

8 September 2017

Mr Desmond LAM
 Clerk to Panel
 Legislative Council Panel on Commerce and Industry
 Legislative Council Complex
 1 Legislative Council Road
 Central, Hong Kong

Dear Mr Lam,

**Number of patents filed and
 mechanism for managing research and development (“R&D”) projects
 by the five R&D Centres**

At the meeting of the Panel on Commerce and Industry on 20 June 2017, Members requested the Government to provide (a) the respective number of patents filed by the five R&D Centres in 2015-2016 and 2016-2017; and (b) details of the mechanism and criteria for vetting and approving R&D projects proposed by R&D Centres, monitoring of the approved projects and the post-project evaluation. Our reply is as follows -

(a) Number of patents filed by the five R&D Centres

The following table sets out the number of patents filed in 2015-16 and 2016-17 –

	2015-16	2016-17
Hong Kong Applied Science and Technology Research Institute	56	60
Nano and Advanced Materials Institute	48	53
Hong Kong R&D Centre for Logistics and Supply Chain Management Enabling Technologies	7	16
Hong Kong Research Institute of Textiles and Apparel (“HKRITA”)	30	15*
Automotive Parts and Accessory Systems R&D Centre	3	9
Total	144	153

**HKRITA filed fewer patents in 2016-17 because some projects completed in 2016-17 were Public Sector Trial Scheme projects which generally could not generate new patents. In addition, there were a number of completed collaborative projects with industry contributing over 50% of the R&D expenses. The intellectual property rights arising from these projects would be vested with the industry sponsors, and hence no new patents could be generated for HKRITA.*

(b) Mechanism for managing R&D projects proposed by R&D Centres

We noted that the information sought was requested by Dr Yiu Chung-yim, who has been declared by the Court to have been disqualified from assuming the office of a member of the Legislative Council (“LegCo”), and have vacated such an office since 12 October 2016. Nevertheless, since the follow up item was issued by the LegCo Secretariat, we treat the matter as the business of LegCo and thus provide a reply, but entirely without prejudice to the Government’s position that Dr Yiu is not entitled to act or claim to act as a member of LegCo under the law. The Government reserves its rights concerning all matters relating to any relevant appeal proceedings.

Vetting Mechanism and Assessment Framework

To vet the funding applications of R&D projects, the Innovation and Technology Commission (“ITC”) has set up different expert panels comprising members from the technology sector, academia, business sector, professional services sector, etc. R&D project proposals initiated by the R&D Centres are first vetted by expert panels having regard to the following criteria –

- (1) Innovation and technology component;
- (2) Technical capability;
- (3) Financial considerations;
- (4) Existence of a holistic plan to realisation/commercialisation;
- (5) Relevance with the Government policies or in overall interest of the community;
- (6) Intellectual property rights and benefit sharing; and
- (7) Management capability

Upon receipt of a project proposal recommended by an expert panel, ITC will review its content in details to ensure compliance with the Innovation and Technology Fund’s funding guidelines.

Monitoring of the Approved Projects

R&D Centres are required to submit regular progress report(s) and a final report in accordance with the schedule as set out in the project agreements signed with the Government. ITC will monitor the progress of the projects. R&D Centres are also required to submit annual and final audited accounts to enable ITC to monitor the financial position of each of the projects. Upon receipt of the final report, ITC will assess the effectiveness of a project by comparing the project results as stated therein against its original targets as set out in the project proposal.

Post-project Evaluation

Two years after project completion, R&D Centres are required to submit a post-project evaluation report to ITC regarding the efforts in publicising and transferring the technologies of the project deliverables, as well as the quantitative measurement on the adoption of the project results by the industry. If considered necessary, R&D Centres will be required to submit another report to ITC five years after project completion.

I should be most grateful if you would relay the above information to Panel Members for their reference.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Thebe Ng', written in a cursive style.

(Ms Thebe Ng)

for Commissioner for Innovation and Technology

c.c. Secretary for Innovation and Technology
(Attn: Mr Ricky Chong)