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By Email to patent_reviews@citb.gov.hk

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Dear Sir

I write in response to the Consultation Paper issued on Review of the Patent System in Hong Kong. *Please note that I do not wish my identity be disclosed to the public.*

By way of introduction, I am a patent attorney with dual patent qualifications from UK and US. I have been practicing as a patent attorney in Hong Kong since 1998.

For clarity reason, I am firstly addressing the summary of issues listed on pages 30-32 of the Consultation Paper, followed by further comments on other related issues.

Standard Patent System (Chapter 1)

- (a) In addition to the benefits of an OGP system already mentioned in the Consultation Paper, it is to be noted that in a developed jurisdiction like Hong Kong it is a fundamental right for an applicant seeking patent protection in Hong Kong to have the option as well as freedom to pursue a patent with particular content and claim wording that he sees fit. Without an OGP system, the content and claim wording of a full-term Hong Kong standard patent would always be dependent on a designated patent, and as such the patent applicant would be deprived of that fundamental right.

It is also to be noted that while the patent systems in UK and Europe (and China to some extent) are well developed, and the laws and patent precedents in particular in UK remain influential in Hong Kong, yet their laws and precedents are not binding in Hong Kong. Some

legal patent tests or standards which are applicable or suitable in the context of UK or Europe might not always be suitable in the context of Hong Kong. Unless Hong Kong has its own OGP system, the development of the legal patent system (and its precedents) would be hindered by the reliance of patents issued in these other jurisdictions.

- (b) It is difficult to forecast whether there will be sufficient demand to support an OGP system in Hong Kong, partly because it depends on the meaning of "sufficient demand". It would however be fair to say that, for certain inventions or certain prospective patent applicants an OGP system would be discouraging to a certain extent, while for other inventions an OGP system would not. For example, an OGP system would not be discouraging for an invention of a pharmaceutical product from Pfizer for treating a widespread medical condition with high commercial potential. The number of Hong Kong standard patent filings per year during the past 5 years ranges from about 10,000-12,000. With that in mind, even if, hypothetically, the number of OGP filings were to be, say only 10% of the number of standard patent filings, it can be considered, and I personally am inclined to agree, that such demand still should be considered as sufficient. Given the high commercial values of many products in the Hong Kong market, I would be surprised if the number of OGP filings would fall below 1,000 a year.

The next issue is whether an OGP system would be a cost effective system. This issue should be addressed from at least two perspectives, namely the perspective from a patent applicant, and the perspective from the HKSAR government. From the perspective of an individual patent applicant, it is up to an individual patent applicant to decide whether it makes commercial sense to go for an OGP patent application or a short-term patent application, or to seek any patent protection in Hong Kong at all. It is purely a commercial decision of the individual patent applicant.

From the perspective of the HKSAR government, the assessment of cost effectiveness should be considered on the basis of whether the Hong Kong society as a whole would benefit. Given an OGP system would create a more encouraging environment for first full-term patent filings in Hong Kong (due to the removal of the need to file in UK, EP or CN first), promote trading of IP/patent rights in Hong Kong, create job opportunities in Hong Kong, etc., it is difficult to imagine that the Hong Kong society would not be benefited. To put the situation in perspective, if the OGP system in Singapore having a population about half that of Hong Kong was considered as cost effective, then it is difficult to argue that an OGP system in Hong Kong with a larger market size could not be cost effective as well.

- (c) The OGP system in Hong Kong would preferably be flexible enough to allow local search/substantive examination as well as search/substantive examination outsourced to other patent offices. The focus of the discussion should not be whether there should be an OGP system or not for a wide range of reasons already indicated in the Consultation Paper and as discussed above; the focus should instead be on how to design an OGP system suitable in the context of Hong Kong.

With respect to local search/substantive examination, one should keep an open mind, and should not carry the presumption (and should not be intimidated to take the view) that it would be impossible (or cost ineffective) to establish local search/substantive examination at least to some extent due to potentially lack of patent specialists in Hong Kong. Given it would take a while before a large number of OGP filings would be received, some degree of

local search/substantive examination should be implemented. There would be no point to implement an entirely pseudo-OGP system in which Hong Kong was merely used as a post box to pump documents to foreign Patent Offices for substantive examination. The OGP system in Singapore in which an applicant could choose whether there is local search/examination or to rely on granted claims from a foreign patent should be considered. Some degree of modification of the OGP system in Singapore can be considered.

In addition to local search/substantive examination, there should be flexibility of being able to outsource, e.g. overflow or certain, search/substantive examination tasks to other Patent Offices (as discussed above). The choice of Patent Offices should be made on the basis that the Patent Offices are from countries with a common law system, e.g. UK.

Another option is to handle substantive examination by outsourcing the work to local independent patent attorneys. There is little discussion on this option but this option can provide many benefits.

- (d) While an OGP system is desirable for the aforementioned reasons, it would be too drastic to entirely eliminate the re-registration system overnight. There should be a (e.g. relatively long) transition period during which a patent applicant can choose from an OGP application and a re-registration application.

There are historical reasons as to why the EPO, UK Patent Office and Chinese Patent Office are currently the designated Patent Offices. Expansion beyond these three Patent Offices is inconsistent with these historical reasons. Further, as already mentioned in the Consolation Paper, further complications would arise due to different standards on patentability, etc. from the laws of other jurisdictions.

There have been concerns that an OGP system in Hong Kong would be under-utilized. While the number of OGP filings might fall below that of the current standard patent filings, one would not be surprised to see, and it can be reasonably anticipated, that under the would-be OGP system some of the standard patent filings would be shifted to short-term patent filings (especially if the term of a short-term patent was to be extended, as discussed below). It is submitted that, with good reasons, the total number of OGP filings and short-term patent filings would not fall below the current standard patent filings and short-term patent filings, or at least the total number of filings would not decrease significantly. It is to be noted that the cost of obtaining a short-term patent in Hong Kong is not much more than that of a standard patent.

Short-term Patent System (Chapter 2)

- (e) A Hong Kong Short-term Patent application is particularly useful to a SME to obtain a quick filing date cost effectively. It does promote local innovation. One can see from applicants of Hong Kong Short-term patents that many of them are SMEs. It shows that this system is widely used and enjoyed by these SMEs. In fact, even larger corporations, like Apple, Inc. have recently filed quite a few Hong Kong Short-term Patent applications.
- (f) The current Short-term system should largely be left untouched.

(1) n/a

- (2) However, eight years of protection is considered by many to be too short. Extension to a maximum ten years in duration should be implemented. Among other reasons, a 10-year duration can bring the life of a short-term patent in line with similar types of patent (e.g. utility model) elsewhere.

If the OGP system were to be implemented, those who decide not to go for an OGP filing could choose a short-term patent filing.

- (3) The total number of claims allowed in each application should be increased, possibly to 15 to 20.
- (4) The same patentability standard should be used, or else complications would arise due to two patentability standards for two different types of patent.
- (5) Consideration on imposing compulsory response/amendment in response to search report with "X" or "Y" category documents indicated in the search report should be examined.
- (g) No. It should not be discontinued. The short-term system still has its values.

Regulation of Patent Agency Services in Hong Kong (Chapter 3)

- (h) Yes, there should be a regulatory regime for patent attorney services. And such regime should not be dependent on whether there is an OGP system or not.
- (i) 1. At least the use of particular titles should be limited to the recognized or qualified patent attorneys.
2. The regulation should apply to all types of patent attorney services.
- (j) 1. Further incentives should be provided to prospective patent applicants to first (or subsequently) file patent application in Hong Kong. If a patent application is first filed in Hong Kong, the patent application can immediately become a valuable tool to attract investment or useful in business negotiation in Hong Kong or elsewhere. The incentives can be in the form of tax credit, tax deduction, etc.
2. Currently, an applicant for a patent and who is a Hong Kong entity can seek subsidy from the Hong Kong government to cover the cost (subject to certain conditions) of seeking patent professional services. Under the current system, the applicant can choose any service providers in Hong Kong or elsewhere. Since the subsidy comes from taxpayers, conditions should be imposed such that the subsidy, as much as possible, will stay in the Hong Kong economy and for the benefits of the Hong Kong economy. Accordingly, conditions should be imposed such that the applicant granted with the subsidy can only appoint a patent attorney performing the substantive work (e.g. drafting of the patent application) in Hong Kong. Further, and more importantly, drafting outsourced to overseas service providers will deprive the opportunity of the inventor interacting with the patent attorney and the quality of the patent specification prepared will be adversely impacted.

Further Comments

1. The further development and evolution of the patent system in Hong Kong hinges on the establishment on formalizing the patent attorney profession in Hong Kong so that patent applicants in Hong Kong can confidently look to patent attorneys for assistance and representation. Virtually all developed jurisdictions have a regulated patent attorney system.
2. At present, the number of patent attorneys with overseas patent attorney/agent qualifications in Hong Kong is not high. The implementation of a local patent attorney system should come in stages.

First Stage

At a first stage, with conditions the existing patent attorneys (with patent qualifications from overseas) in Hong Kong should be exempted from further examination, and grandfathered to become locally qualified attorney, mainly for reasons that they are experienced and have been practicing in Hong Kong as patent attorneys for years. This is consistent with the practice of many other countries when a new qualification is introduced. While the conditions should not be harsh, it is however to be noted that since the legal system in Hong Kong is common law based, only patent attorneys with patent qualification from countries with a common law (or substantially common law) system should be recognized. This might create dissatisfaction from patent practitioners with patent qualification from countries which adopt, for example, a civil law system as supposed to a common law system. However, preserving the legal principles of the Hong Kong legal system is overwhelmingly important and as such this condition should not be compromised.

3. For simplicity sake, there should not be two or more categories of patent professions in Hong Kong, or else it would create confusion to the public. Only one category of patent practitioners, namely patent attorney, should be implemented.

Second Stage

4. The skill set required to become a patent attorney is rather different from the skill set required to be other legal professionals such as solicitors or barristers. As such, the conditions should not include whether a patent attorney-to-be is a solicitor/barrister or not. The UK patent attorney system is widely considered to be of high quality. The requirements in their system should generally be followed.

Existing "Patent Professional Bodies" in Hong Kong

5. There are currently a number of privately founded intellectual property/patent professional bodies in the market. While their comments and proposals from them on training patent professionals and categorization of patent proposals should of course be taken into

consideration, it is very important to bear in mind that many of these professional bodies are operated by solicitors many of them do not have substantive patent prosecution background. As such, their general view or proposal could be biased and might not reflect understanding of the core patent attorney business and profession. More emphasis should be placed on looking out to the patent attorneys who have been practicing in Hong Kong for substantial period of time and seeking their views. The importance of their views, their sights and experience cannot be overemphasized. For example, the Hong Kong Productivity Council maintains a list of firms with individuals who are patent attorneys practicing in Hong Kong and with overseas patent qualification. Patent attorneys with foreign patent qualification who reside/practice in Hong Kong can also be assessed from the registers of Patent Offices (e.g. UKIPO, USPTO).

The above comments are preliminary in nature. I will be happy to provide further in-depth comments or analysis on any particular issue should the Commerce and Economic Development Bureau wish to.

Yours faithfully,

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Registered Patent Agent (US)