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28 December 2011

BY EMAIL (Patent_review@citb.gov.hk)

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Commerce, Industry and Tourism Branch
Commerce and Economic Development Bureau
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Our ref SK
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Dear Sirs

Consultation on Patent Reform

We are a law firm registered with the Law Society of Hong Kong.

This submission is made in response to the Consultation Paper on "Review of the Patent System in Hong Kong" issued by the Commerce and Industry Development Bureau and Intellectual Property Department in 2011.

We are actively supportive of a Dual System, i.e, creation of Original Grant Patent ("OGP") system and retention of current re-registration system (the "Re-registration System").

Our views are based primarily on our clients' needs and our own experience in dealing with intellectual property matters, and not as part of any professional body or organization.

The reasons supporting our submissions are as follows:

1. For our clients who have business only in Hong Kong and desiring patent protection only in Hong Kong, they find it quite strange that they have to register in China or UK or EP(UK) first, when all they are concerned with is Hong Kong. This means they are required to incur quite substantial expenses in obtaining a patent in another jurisdiction for which they have no need. The extra expenses involved are at least HKD100,000 per invention. For a simple invention, the costs of a PRC invention patent would be around RMB30,000 for initial drafting and an additional RMB50,000 until grant; and those of a UK or an EP(UK) patent would be around €5,500 for initial drafting and an additional €6,000 until grant. Of course, in case of a more complicated invention, the costs involved would be more.

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2. If these clients do not want to incur the extra expenses for obtaining a PRC or UK or EP(UK) patent, currently they can only obtain a Short Term Patent which does not have the full 20-year term protection. Further, there is no presumption of validity for such Short Term Patents and in any litigation, the patent owner will have to prove its validity first. Generally speaking, proving validity is harsher than proving registrability and patentability. Whatever costs saved in filing and initially obtaining the patent, such (and probably more) will be incurred in enforcing the rights granted. In practice, clients do not use the Short Term Patent route for any "serious" inventions.
3. We are not advocating for abolition of the Short Term Patent system. It is useful for petty inventions, and in other countries are protected by utility models or petty patent registrations, which are similarly granted without substantive examination.
4. We however support the proposed addition of an OGP system which would facilitate the obtaining of full-term patent protection in Hong Kong for "serious" inventions created locally, particularly those of high commercial value and which would mark Hong Kong as a technologically innovative city.
5. We are also supportive of retaining the current Re-registration System for PRC / UK / EP(UK) patents. This would continue to appeal to those patent owners who already have applied for and registered their patents in PRC / UK / EP(UK), to have an additional Hong Kong patent at reasonable costs. These are usually international businesses, who view Hong Kong as a relative small market, and may not otherwise necessarily choose to incur the time and costs to apply for and register an OGP in Hong Kong.
6. Further, in view of China's requirement that inventions created in China will have to be first filed there, and since a lot of R&D facilities of Hong Kong enterprises have moved to China, we see lots of inventions created by Hong Kong based or Hong Kong funded companies having to first file in China already. The existing Re-registration System will be suitable for them.
7. In the light of the above, a Dual System is a much welcomed improvement on the current system.
8. In an OGP system, recruitment or training of good or experienced examiners is an issue we foresee. Nonetheless, it is not realistic to expect a patent office to have a sophisticated substantive examination capability overnight. It is a learning process but we have no reason to think that Hong Kong cannot do it while other territories with similar background (e.g. Singapore) can.

In summary, we are supportive of:-

1. Retaining current Short Term Patent;
2. Retaining current Re-registration System without expanding to cover patents registered outside of PRC / UK / EP(UK);
3. Addition of an OGP System with locally staffed examiners.

We hope the above is of assistance in the proposed Patent Reform. If you have any questions, please feel free to contact our Ms Shirley Kwok at shirley.kwok@kingandwood.com.

Yours faithfully



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