

Review of the Patent System in Hong Kong Responses by Dr C W Tso

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I refer to the Invitation for Response Document 2011 issued by the Intellectual Property Department of Commercial and Economic Bureau for the captioned, and would like to give below my comments and views for your consideration.

A. General

1. I concur that effective protection of the fruits of creative ideas helps nurture creativity. It is absolutely true that in offering protection to technological advancements in the form of inventions, the patent system is an important tool in encouraging developments in different scientific and technical fields.
2. It is pleasing to note that Hong Kong Government is committed to providing an effective patent regime, as part of the infrastructure that would help the growth of Hong Kong's economy. The Commercial and Economic Bureau is commended for recognizing the need to ensure that the patent system's future positioning is in alignment with the vision to develop Hong Kong into a regional innovation and technology hub, and hence conducting a comprehensive review, taking account of the latest developments patent protection.

B. Standard Patents

3. The "original grant" patent (OGP) system would allow inventors do not need a patent elsewhere to apply direct in Hong Kong, and help save costs for inventors. It complements the efforts being made to encourage more entrepreneurs to use Hong Kong as launching pad for their research and development business. This will stimulate the growth of patent agency business in Hong Kong, help build up local expertise in drafting and prosecuting applications for patent, and offer added career opportunities for graduates with science and engineering background. This will in turn help fortify the further development of Hong Kong as a regional innovation and technology hub, competing with our archrival Singapore.
4. It is noted that an OGP system with in-house substantive examination requires the patent office not only to have a large team of examiners in place, but to develop and maintain a comprehensive technical database in the full range of scientific and technological fields for assessing applications. Given Hong Kong is a financial and services oriented economy with limited capacity in research and development, it is believed that an OGP system with full-fledged in-house examination capacity is not viable for the foreseeable size of market in Hong Kong.
5. Instead of conducting the substantive examination in-house, it is considered prudent and expedient to opt for the arrangement currently adopted by Singapore and Macau, i.e. to outsource the task of substantive examination to other patent offices. Having considered the information given in Annex 3 - Number of Patent Fillings and Patent Examiners in various

Patent Offices and the jurisdiction has strong trade ties with Hong Kong, it would appear desirable to outsource the substantive examination to the following Patent Offices:

- European Patent Office (EPO)
- State Intellectual Property Office of the People's Republic of China (SIPO)
- US Patent and Trading Office

Before making a final decision, it would be very useful to find out the factors based on which the patent offices of Austria, Denmark and Hungary which are not English speaking countries and also not major trading partners of Singapore are selected by Singapore Intellectual Property Office to undertake the substantive examination of patent applications.

6. As to an interim arrangement with the adoption of OGP system, it is prudent to maintain the current "re-registration" system. Having regard to the growing prominence of globalization, it is desirable to expand the current list of designated patent offices, i.e. SIPO, UKPO and EPO. The list of prescribed patent offices accepted by Singapore in its patent examination process can be used as a reference. Nevertheless, factors to be considered for selection should include (a) jurisdiction has strong trade tie with Hong Kong; (b) system uses the official languages of Hong Kong; (c) standards and quality of patents issued are well respected internationally; and (d) common law jurisdiction.

Short-Term Patent System

7. Given that Hong Kong's short-term patent is based only on formality examination, the short-term patent system is considered user friendly, offers a fast and inexpensive means of protecting simple inventions with a limited life span in the market and encourages innovation. Notwithstanding that the short-term patent is not subject to substantive examination, it is pleasing to note that there are built-in safeguards under the Patent Ordinance (Cap. 514) to prevent abuse of the rights granted to a short-term patent. Furthermore, Hong Kong short-term patent system covers the same range of inventions that may be protected by standard patents.
8. Having considered the above and the developments in other jurisdictions, there are distinct merits to have the current short-term patent system maintained but with refinements. In view of the number of short-term patents revoked on the ground that the invention is not patentable has been small, introducing mandatory substantive examination for granting short-term patents will reduce the attractiveness of the short-term patent system and is hence not supported. This is in line with the practice adopted in other jurisdictions have lesser patent system.
9. Having said that, the Hong Kong Patent Registry (the Registry) should be empowered to conduct if deemed necessary search or substantive examination, either before or after the grant of a short-term patent, upon request by an applicant for the grant of a patent, a patent owner or a third party. Nevertheless, substantial examination should not be a mandatory requirement for commencement of infringement proceedings.

10. If substantive examination is requested by a third party, the costs should be firstly born by the third party. Should the pattern be found not a patentable invention from results of substantive examination, the patent owner is required to reimburse the third party all costs incurred.
11. In view of increasing globalization and the need to align with major trading partners, it is desirable to extend the maximum terms of protection available to short-term patents to a period of ten (10) years from current 8 years. This would give the patent owner extra time to market and realize commercial gain from the invention, and hence encourage innovation.
12. It is noted that the specification of each application for short-term patent in Hong Kong is limited to one (1) independent claim which is considered far too restrictive. Assuming the protection period is extended to 10 years, relaxing the number of independent claims would give the patent applicants more flexibility. It is suggested the number of independent claims is capped at five (5), i.e. same as Australia.
13. It is noted that multiple claims will lower the total costs incurred in applying for short-term patents. Having considered that the lower costs may give added incentives to applicants with inventions not meeting the patentability requirements to apply, it is not recommended to allow multiple claims at this stage.
14. Given the proposed changes outlined above are quite significant, it is considered prudent not to lower the threshold for patentability for short-term patents at this stage.

Regulation of Patent Services in Hong Kong

15. It is noted that the scope of work of a patent agent covers providing advice on the patentability of inventions, drafting the claims and specification for patent applicants and responding to objections raised by the patent offices in respect of the patent applications. The drafting of claims and specification of an invention, which define the scope of patent protection, requires specialized technical skills and knowledge.
16. It is noted that under the present system, any person may act as a patent agent in proceedings before the Registrar in Hong Kong. With an unregulated profession, there is less assurance of the standards and quality of the provided services. To ensure that the patent system's future positioning is in alignment with the vision to develop Hong Kong into a regional innovation and technology hub, it is of paramount importance to have a regulatory regime for providers of patent agency service established in Hong Kong.
17. With the OGP system introduced in Hong Kong, it is concurred that the regulatory regime will help build a local patent profession and create more job opportunities for local graduates with science, engineering and other technical background.
18. With a regulatory regime introduced to Hong Kong, it is suggested that the provision of patent services should be restricted to persons meeting certain qualifications and experience requirements. It is further suggested that the use of titles such as "patent agent" or "patent

attorney” should be restricted to those professionals who satisfy the prescribed requirements and are registered under the relevant Ordinances.

19. It is suggested that both “patent agent” and “patent attorney” can provide services covering drafting and amendment of patent specification under an OGP system. However, ‘patent agent” can represent clients in registry proceedings whereas ‘patent attorney” can represent clients in both registry proceedings and court proceedings.



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