

## Head 78 — INTELLECTUAL PROPERTY DEPARTMENT

**Controlling officer:** the Director of Intellectual Property will account for expenditure under this Head.

**Estimate 2024–25** ..... **\$266.8m**

**Establishment ceiling 2024–25** (notional annual mid-point salary value) representing an estimated 184 non-directorate posts as at 31 March 2024 reducing by one post to 183 posts as at 31 March 2025 ..... **\$144.1m**

In addition, there will be an estimated ten directorate posts as at 31 March 2024 and as at 31 March 2025.

### Controlling Officer's Report

#### Programmes

<p><b>Programme (1) Statutory Functions</b>  <b>Programme (2) Protection of Intellectual Property</b></p>	<p>These programmes contribute to Policy Area 6: Commerce and Industry (Secretary for Commerce and Economic Development).</p>
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#### Detail

##### Programme (1): Statutory Functions

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	<b>2024–25 (Estimate)</b>
Financial provision (\$m)	161.3	184.3	178.8 (–3.0%)	<b>187.4</b> (+4.8%)
				(or +1.7% on 2023–24 Original)

#### *Aim*

2 The aim is to provide cost-effective and efficient systems for the registration and management of trademarks, patents, designs and copyright licensing bodies in Hong Kong.

#### *Brief Description*

3 The statutory functions of the Department involve:

- examining trademark applications, conducting registrability and opposition, invalidation and revocation hearings, maintaining the register of trademarks and making it available for public search;
- examining patent applications, granting standard patents after substantive examination, granting short-term patents followed by substantive examination if required, registering patents granted by the three designated patent offices, maintaining the register of patents and making it available for public search;
- examining design applications, maintaining the register of designs and making it available for public search; and
- examining applications for registration of copyright licensing bodies, maintaining the register of copyright licensing bodies and making it available for public search.

4 The registers of trademarks, patents and designs are all maintained in electronic format. The Department has been providing electronic searching, filing, payment and publication services in respect of registration of trademarks, patents and designs since 2003. Owners of registered rights or their agents can directly make changes to particulars of owners and agents of trademarks, patents and designs; apply for renewal of trademarks, patents and designs; register assignments and assents for registered trademarks and trademark applications; and register assignments for granted patents and patent applications as well as registered designs and design applications. These changes are updated on the Registries' records instantly. The electronic services have been well received, and were redeveloped into a New Integrated IT System in February 2019. In 2023, the proportions of electronic filings for trademark, patent and design applications were 86 per cent, 98 per cent and 85 per cent respectively.

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5 The key performance measures in respect of statutory functions are:

### *Targets*

	Target	2022 (Actual)	2023 (Actual)	2024 (Plan)
<i>For trademarks under the Trade Marks Ordinance (Cap. 559)</i>				
issuing first letter				
for trademark applications				
during deficiencies checking stage				
within three months (%)‡ .....	90 <sup>^</sup>	99	98	<b>92</b>
providing first response for trademark applications within two months (%)φ.....	97	99	99	<b>97</b>
providing second response				
for trademark applications				
within three months (%)Ω .....	80	82	83	<b>82</b>
delivering hearing decisions on trademarks within six months (%).....	97	100	100	<b>97</b>
<i>For patents under the Patents Ordinance (Cap. 514)</i>				
processing standard (re-registration) patent applications concerning minimum requirements within ten days (%)§ .....	97 <sup>ε</sup>	99	99	<b>98</b>
processing standard (original grant) patent applications concerning minimum requirements within ten days (%)§ .....	92 <sup>α</sup>	97	98	<b>95</b>
processing short-term patent applications concerning minimum requirements within ten days (%)§ .....	92 <sup>η</sup>	98	97	<b>95</b>
processing standard (re-registration) patent applications concerning formal requirements within four months (%)Ψ .....	92 <sup>η</sup>	99	99	<b>95</b>
processing short-term patent applications concerning formal requirements within three months (%)Ψ .....	92 <sup>β</sup>	99	98	<b>95</b>
<i>For designs under the Registered Designs Ordinance (Cap. 522)</i>				
processing design applications concerning minimum requirements within ten days (%)§ .....	99	99	99	<b>99</b>
processing design applications concerning formal requirements within four months (%)@ .....	92 <sup>η</sup>	99	99	<b>95</b>

‡ Calculated from the date of payment of the prescribed fee.

<sup>^</sup> Target was raised from 85 per cent to 90 per cent as from 2023.

φ Calculated from the date of the Trade Marks Registry's notice confirming receipt of all the required information for substantive examination.

Ω Calculated from the date of expiry of first opinion or from the date of applicant's reply to first opinion.

§ Calculated from the date of application to the date of issue of the first notice.

ε Target raised from 95 per cent to 97 per cent as from 2024.

α Target was raised from 86 per cent to 90 per cent as from 2023 and further raised from 90 per cent to 92 per cent as from 2024.

η Target was raised from 88 per cent to 90 per cent as from 2023 and further raised from 90 per cent to 92 per cent as from 2024.

Ψ Calculated from the date of the Patents Registry's notice confirming that the minimum requirements are satisfied.

β Target raised from 85 per cent to 90 per cent as from 2023 and further raised from 90 per cent to 92 per cent as from 2024.

@ Calculated from the date of the Designs Registry's notice confirming that the minimum requirements are satisfied.

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### Indicators

	2022 (Actual)	2023 (Actual)	2024 (Estimate)
<i>For trademarks under the Trade Marks Ordinance</i>			
applications received.....	29 432	29 835	<b>29 300</b>
applications successfully registered.....	30 630	25 332	<b>25 600</b>
first response issued for trademark applications.....	30 665	28 771	<b>29 800</b>
second response issued for trademark applications.....	5 090	4 372	<b>4 500</b>
hearing decisions issued.....	93	135	<b>100</b>
<i>For patents under the Patents Ordinance</i>			
applications for standard (re-registration) patents received.....	20 031	17 614	<b>18 950</b>
applications for standard (original grant) patents received.....	133	170	<b>150</b>
applications for short-term patents received.....	579	624	<b>600</b>
standard (re-registration) patents granted.....	11 573	10 815	<b>10 000</b>
short-term patents granted.....	535	516	<b>510</b>
<i>For designs under the Registered Designs Ordinance</i>			
applications received.....	1 672	1 684	<b>1 650</b>
designs registered.....	3 319	3 390	<b>3 050</b>
<i>For copyright licensing bodies under the Copyright Ordinance (Cap. 528)</i>			
applications received.....	1	0	<b>0</b>
applications successfully registered.....	1	0	<b>0</b>
applications for renewal of registration.....	6	6	<b>6</b>

### Matters Requiring Special Attention in 2024–25

6 During 2024–25, the Department will continue to meet the challenges associated with processing a voluminous intake of patent filings, developing the capacity of the original grant patent system, and enhancing the operation of the registries of patents, trademarks and designs.

### Programme (2): Protection of Intellectual Property

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	2024–25 (Estimate)
Financial provision (\$m)	61.8	70.5	73.2 (+3.8%)	<b>79.4</b> (+8.5%)
				(or +12.6% on 2023–24 Original)

### Aim

7 The aims are to promote awareness of intellectual property (IP) rights, to enhance the local IP protection regime and the reputation of Hong Kong in the protection of IP rights in order to attract investment and encourage innovation and creativity, to protect existing and new types of IP rights in line with international trends and standards, and to facilitate and promote the development of IP trading in Hong Kong. Particular attention is paid to providing support for small and medium enterprises (SMEs) to help them identify, protect, manage, exploit and commercialise their IP assets in Hong Kong and in the region, with the focus on promoting IP literacy, active prevention of IP rights infringement and capacity building.

### Brief Description

8 This programme area involves:

- advising the Secretary for Commerce and Economic Development (SCED) on policies and legislation to strengthen protection of IP rights in Hong Kong;
- providing civil legal advice on IP matters to government bureaux and departments;
- advising SCED on relevant developments at the World Intellectual Property Organization (WIPO), World Trade Organization (WTO) and Asia-Pacific Economic Cooperation (APEC);
- participating in consultations, negotiations and committees of experts leading to new or revised international IP rights standards; attending and participating in regional and international seminars, conferences, meetings, etc. on IP rights matters;

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- promoting IP services provided by Hong Kong professionals, facilitating the understanding of IP laws and systems in the Mainland by Hong Kong enterprises operating in the region;
- promoting the development of Hong Kong as a regional IP trading centre, and assisting SCED to implement support measures; and
- strengthening co-operation with counterparts in the Guangdong Province, the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area), the Pan-Pearl River Delta region on IP and related developments.

9 The Department has continued its territory-wide campaigns, viz. the “No Fakes Pledge” Scheme and “I Pledge” Campaign to encourage pride in the selling and buying of genuine goods among Hong Kong retailers, tourists and local consumers. For the “No Fakes Pledge” Scheme, the Department held the 25th Anniversary Celebration of the Scheme cum Long-term Members Commendation Ceremony in September 2023. By the end of 2023, 12 trade associations with 1 788 retail merchants covering 7 444 outlets/online shops in Hong Kong participated in the Scheme. For the “I Pledge” Campaign, the Department has made use of various reach-out activities to encourage the public to refuse to buy pirated and counterfeit goods.

10 The Department has continued to implement various initiatives to promote awareness of and respect for IP rights and to encourage innovation and creativity. It organised the “Let’s Protect Intellectual Property” Exhibition from late April to early May 2023 at the Central Market in celebration of the World Intellectual Property Day. It has also collaborated with organisations of the right-holders and youth to organise and sponsor various events, such as the “Respect Copyright” Campaign. In 2023, targeting the younger generation, the school visit programme covered 59 schools and 11 420 students, the interactive drama programme covered 136 schools and 41 512 students, and talks were held in eight tertiary institutions.

11 SMEs have remained one of the prime targets of the Department’s promotion and education efforts. Through seminars, workshops and exhibitions organised by the Department or in collaboration with others, the Department has helped SMEs understand the importance of protecting their IP rights and raise awareness of innovation and IP management among them. These activities also support SMEs to explore potential IP solutions to further develop and expand their business, such as the types of IP that may be available for sale or exploitation in their target markets.

12 To promote IP trading, the Department has continued to work with the public sector, professional bodies, industry players and other stakeholders to implement measures under four strategic areas, namely enhancing the IP protection regime; supporting IP creation and exploitation; fostering IP intermediary services and manpower capacity; and pursuing promotion, education and external collaboration efforts. With a view to further strengthening SMEs’ manpower capacity in IP management and commercialisation, the Department continued to enrich the IP Manager Scheme PLUS training programme with enhanced breadth and depth in the content. In 2023, the Department enhanced the free IP Consultation Service from January onwards by increasing the number of lawyers at service and extending the duration of each consultation session with the support of The Law Society of Hong Kong, and continued to forge ahead with various promotion and public education efforts such as production of videos showcasing success stories and sponsoring of training courses and workshops on IP related subjects.

13 To foster regional collaboration with the economies of the Association of Southeast Asian Nations (ASEAN) in promoting IP commercialisation, the Department, pursuant to the ASEAN – Hong Kong, China Free Trade Agreement framework and in collaboration with WIPO, organised an ASEAN Session at the Business of IP Asia Forum on the topic of trademark and brand licensing in December 2023, attracting over 180 participants.

14 On the copyright regime, the Copyright (Amendment) Ordinance 2022 (Amendment Ordinance) for strengthening copyright protection in the digital environment came into operation on 1 May 2023. The Department has tied in a series of pre-and post-launch publicity and educational activities to raise awareness and understanding of the Amendment Ordinance amongst various stakeholders and the general public. The Department has also kick-started the necessary preparatory tasks for the further review of the local copyright regime.

15 On the trademark regime, the Department has continued to take forward preparatory work for the implementation of the international trademark registration system under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol) in Hong Kong, including preparing the related subsidiary legislation and adjusting the required information technology system.

16 On the patent front, the Department collaborated with the China National Intellectual Property Administration and the IP authorities of Guangdong Province and Shenzhen leading to the launch of a pilot project in January 2023 for prioritised examination of qualified invention patent applications filed by Hong Kong applicants in the Mainland.

17 To encourage the innovation and technology sector to engage in more activities of research and development for creating more patented inventions with market potential for transformation and commercialisation, the Government announced in 2023 the plan to introduce a “patent box” tax incentive to reduce the tax rate for qualifying profits derived from certain eligible IP assets from the existing 16.5 per cent to 5 per cent. The Department has been working with the Commerce and Economic Development Bureau (CEDB) and relevant departments to press ahead with the preparatory tasks for implementing the tax incentive, including consulting the trade and formulating the legislative proposals.

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18 The key performance measures in respect of IP protection are:

*Indicators*

	2022 (Actual)	2023 (Actual)	2024 (Estimate)
engagements with stakeholders.....	134	147	147
speeches and presentations.....	57	83	83
engagements with the media.....	18	15	15
school visits <sup>□</sup> .....	40	59	59

□ Including school visits in physical and online modes.

*Matters Requiring Special Attention in 2024–25*

19 During 2024–25, the Department will:

- continue to provide policy, legal and technical advice to CEDB on enhancing Hong Kong’s IP regime to ensure that it will meet the actual needs of Hong Kong and keep pace with international developments;
- continue to work with stakeholders to develop and promote Hong Kong as a regional IP trading centre in accordance with the National 14th Five-Year Plan;
- conduct consultation within 2024 to explore further enhancement to the Copyright Ordinance regarding protection for artificial intelligence technology development;
- continue to keep in view the filings under the new patent system notably the caseload and the filing trends to ensure its smooth operation;
- continue to develop and promote the original grant patent system such as seeking ways of enhancing its user-friendliness and attractiveness, and also enhancing the substantive examination capacity of the Patents Registry;
- discuss with the patent agent sector and stakeholders to plan for the introduction of regulatory arrangements for local patent agent services;
- continue to support the implementation of the pilot project for prioritised examination of qualified invention patent applications filed by Hong Kong applicants in the Mainland;
- support CEDB to introduce a bill into the Legislative Council in the first half of 2024 for implementing the “patent box” tax incentive;
- continue to forge ahead with the preparatory work for implementing the Madrid Protocol in Hong Kong;
- explore with the Mainland authorities on extending relevant international IP treaties to Hong Kong and implementing facilitation measures for cross-boundary IP protection;
- launch a review of the registered designs regime within 2024 with a view to commencing consultation in 2025 on the way forward in updating the regime;
- continue to work with stakeholders and the Hong Kong Trade Development Council to promote Hong Kong’s competitive advantages in IP trading and IP professional services to the Mainland and overseas enterprises through trade missions, seminars, publicity programmes and the annual Business of IP Asia Forum;
- continue to support the business community in strengthening their IP protection, management and commercialisation in the Mainland (including the Greater Bay Area) through the Guangdong/Hong Kong Expert Group on the Protection of IP Rights;
- engage the Hong Kong Productivity Council to make preparations for establishing a Technology and Innovation Support Centre in relation to IP in Hong Kong under a dedicated programme run by WIPO to provide innovators, SMEs, entrepreneurs and businesses with high-quality IP-related technology information and related services, thereby helping them create, protect, and manage IP rights for commercial exploitation and IP trading, and facilitate Hong Kong’s integration into the overall development of our country;
- continue to organise promotion and education activities, in particular for SMEs, with emphasis on IP protection, management and commercialisation;
- continue to disseminate information through the Internet on the IP systems in the Mainland, Hong Kong and Macao;
- continue the outreach effort to young people on IP protection and encourage them to actively explore and innovate through school visits and promotion activities;

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- continue collaboration with stakeholders to strengthen and publicise the “No Fakes Pledge” Scheme and “I Pledge” Campaign to promote the selling and buying of genuine products; and
- continue to play a proactive role in the APEC and the Trade-Related Aspects of IP Rights Council of the WTO, and, through such institutions, provide appropriate technical assistance to developing and least-developed economies overseas.

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### ANALYSIS OF FINANCIAL PROVISION

	2022–23 (Actual) (\$m)	2023–24 (Original) (\$m)	2023–24 (Revised) (\$m)	2024–25 (Estimate) (\$m)
<b>Programme</b>				
(1) Statutory Functions .....	161.3	184.3	178.8	187.4
(2) Protection of Intellectual Property .....	61.8	70.5	73.2	79.4
	<u>223.1</u>	<u>254.8</u>	<u>252.0</u> (-1.1%)	<u>266.8</u> (+5.9%)
				(or +4.7% on 2023–24 Original)

#### Analysis of Financial and Staffing Provision

##### Programme (1)

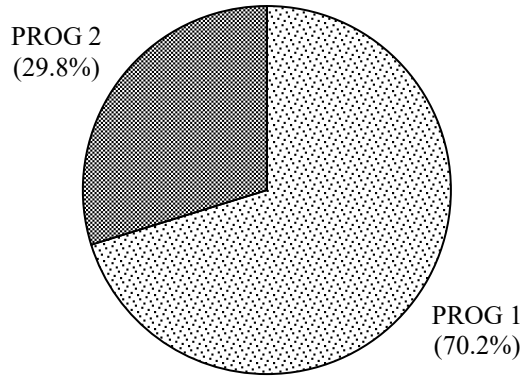
Provision for 2024–25 is \$8.6 million (4.8%) higher than the revised estimate for 2023–24. This is mainly due to the increased requirements in general departmental expenses for enhancing the capacity of the Department to follow through the patent reform.

##### Programme (2)

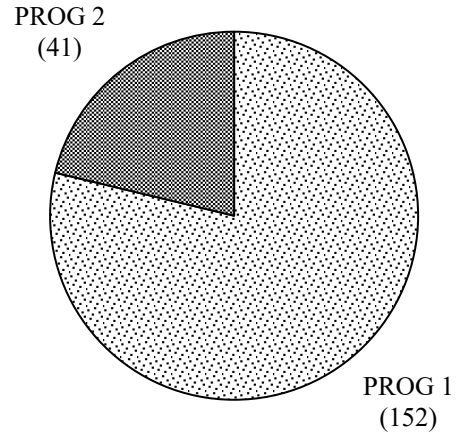
Provision for 2024–25 is \$6.2 million (8.5%) higher than the revised estimate for 2023–24. This is mainly due to the increased requirements in general departmental expenses, salaries and personnel related expenses for enhancing the capacity of the Department to underpin Hong Kong as a regional intellectual property trading centre, as well as the expenses in relation to the preparation for the establishment of a Technology and Innovation Support Centre in Hong Kong.

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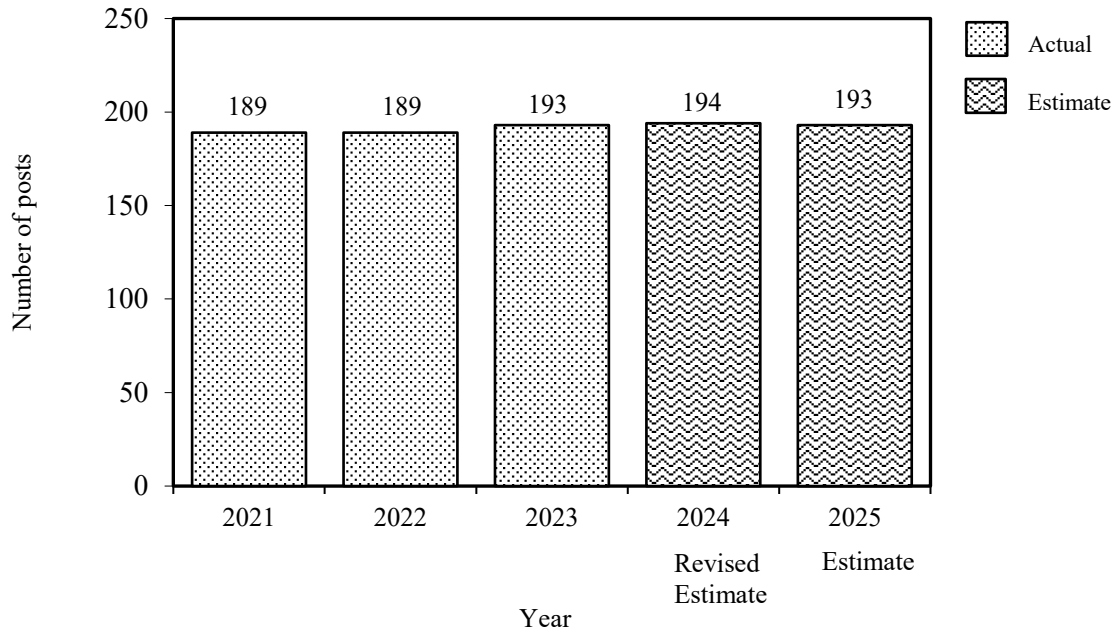
*Allocation of provision to programmes (2024-25)*



*Staff by programme (as at 31 March 2025)*



*Changes in the size of the establishment (as at 31 March)*





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Sub-head (Code)	Actual expenditure 2022-23	Approved estimate 2023-24	Revised estimate 2023-24	<b>Estimate 2024-25</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	223,104	254,837	252,042	<b>266,816</b>
	Total, Recurrent.....	223,104	254,837	252,042	<b>266,816</b>
	Total, Operating Account .....	223,104	254,837	252,042	<b>266,816</b>
<hr/>					
	Total Expenditure .....	223,104	254,837	252,042	<b>266,816</b>
		<u>223,104</u>	<u>254,837</u>	<u>252,042</u>	<u><b>266,816</b></u>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2024–25 for the salaries and expenses of the Intellectual Property Department is \$266,816,000. This represents an increase of \$14,774,000 over the revised estimate for 2023–24 and \$43,712,000 over the actual expenditure in 2022–23.

#### *Operating Account*

#### Recurrent

**2** Provision of \$266,816,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Intellectual Property Department.

**3** The establishment as at 31 March 2024 will be 194 posts. It is expected there will be a net decrease of one post in 2024–25. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2024–25, but the notional annual mid-point salary value of all such posts must not exceed \$144,122,000.

**4** An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2022–23 (Actual) (\$'000)	2023–24 (Original) (\$'000)	2023–24 (Revised) (\$'000)	<b>2024–25 (Estimate) (\$'000)</b>
Personal Emoluments				
- Salaries .....	135,991	135,416	140,037	<b>143,764</b>
- Allowances .....	4,693	5,097	4,032	<b>4,937</b>
- Job-related allowances.....	17	1	1	<b>1</b>
Personnel Related Expenses				
- Mandatory Provident Fund contribution .....	501	569	484	<b>480</b>
- Civil Service Provident Fund contribution .....	10,528	10,965	11,290	<b>12,659</b>
Departmental Expenses				
- General departmental expenses .....	54,478	86,389	78,198	<b>88,975</b>
Other Charges				
- Publicity and educational programmes .....	16,896	16,400	18,000	<b>16,000</b>
	223,104	254,837	252,042	<b>266,816</b>