

December 31, 2011

By Email & Fax

Dear Sir/Madam

Subject: Comment to the Consultation Paper – Patent System Review

In response to the government's invitation to provide comment to review of the existing patent system in Hong Kong, we have provided the following suggestions and position.

1. Development of the Original Grant Patent (OGP) system

We support the *parallel development* of the “Original Grant” patent system (OGP) while keeping status-quo of the current patent re-registration and short term patent application will definitely give users added choice. More importantly, it *presents the least disruption* to the existing regime of patent re-registration and short-term patent while allowing the administration to plan, recruit and develop the proper expertise and build the technical database and infrastructure.

This *investment into the infrastructure* and related expert services in developing the OGP *will instill an economic value-add* to the service base economy of Hong Kong. The legal, financial and ICT sectors and many other related knowledge industries will benefit from this value-add tremendously.

Using an analogy, if the administration believes that the 3rd airport runway is necessary for the economic growth in Hong Kong, then in the context of patent system, the first runway (Patent re-registration) and second runway (Short-term patent) are experiencing difficulty to keep up, then the development of a new runway or expanding the first and second runway are therefore some of the options. Our Hong Kong's knowledge-based economy and prosperity will rely heavily on how the administration's willingness, action and budget to support the parallel development of the third runway (OGP) for bringing Hong Kong to the next level of growth as a regional trading hub with strong judiciary support to intellectual property, customs and finance. This new 3rd runway (OGP) will also be able to handle more traffic (deal flows) in the licensing and trading of intellectual properties for products and inventions that are very often sourced in Hong Kong and the Pearl Delta Region anyway.

2. Development and Regulation of Patent Agency

It is our view to support the development of Patent Agency business and profession in Hong Kong SAR. Although the development of the expertise, the technical database, knowledge and administrative system in patent examination will take time in line with the need for OGP (as we suggested earlier). The regime of such development and regulation of a Patent Agency business creates new job opportunities nurturing local talent to enter into a new profession and enhances the value creation and innovation mentality in Hong Kong. Having a regulated profession in patent agency will also create a greater opportunity for knowledge sharing amongst patent agency, academics, scientists, engineering profession and subject matter experts in Hong Kong thereby creating more and often better original output of work.

We **strongly recommend** that the regulatory regime of Patent Agency business should be left to an independent committee (comprising academic, business consultants, licensing professionals, legal professions and certified engineering professionals) formed for reviewing the execution of such should a decision of developing an OGP in Hong Kong is to proceed.

3. Business method, and computer-program related inventions – should it be patentable

In a new networked economy, the case of the business method, computer programs and software patents is a very hotly debated issue in the industry. While UK and the European Patent Convention (eg. Rule 52) have clearly stated that abstract business method without “technical means” are not patentable, there are some countries like Australia, Japan whose patent jurisdiction still has some rulings that permits “business method” patent. In United States, the case of business method and software patents which were previously issued has been challenged at court (eg. Bilsky 2009). Although it is not invited by the administration to evaluate this specific area of patent law in this consultation process, it is important for the community at large involving in business, ICT, legal, licensing and generally knowledge-based industry to understand that if Hong Kong has to become a major international center of excellence and innovations supporting future new knowledge-based industries, the position of the administration as to how it views the patentability of business method, computer-program and software patents in a OGP – is critically important and therefore needs to be transparent to the community at large.

Finally, our firm will continue to welcome the opportunity to participate in future consultation process in this patent system review.

Cordially,

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