



Dear Sir/Madam,

Information about Biochemistry Alumni Association, HKUST

Biochemistry Alumni Association, HKUST aims to serve as a platform for all the biochemistry Alumni, the University, the professors, the professionals and the current undergraduate and postgraduate students; and to unite the biochemistry alumni and intensify their contribution to the public.

Knowing that both the academia and the society are evolving, we believe that biochemistry alumni should also communicate with professionals from different background so as to bring more benefits and contributions to the society. Therefore, in response to the patent reform consultation, we would like to express ideas from our alumni and honorary advisors and learn about different points of view in the society.

Please feel free to contact us for further information by sending email to bcaa.ust@gmail.com

Views on the reform of patent system

We welcome the ideas to review and adjust the existing patent system, and wish it to become an opportunity to build up an intellectual properties (IP) industry in HK. There are several competitive edges which HK offers to the multinational corporations and research experts to expand their business into mainland or going global: Firstly, HK has a well-developed legal system, which allows immediate and effective enforcement to protect the benefits of patent owners. At the same time, the reciprocal recognition of court judgments and arbitral awards ensure that the matters relating to the patent are enforceable in both Hong Kong and mainland. Secondly, with the geographic locations and cultural exchange, HK is familiar with the market information in Asia, especially in mainland, and can manage an effective distribution of the intellectual properties portfolio in Asia. Thirdly, HK's tax regime is simple and the tax rate is low, which provides a lower barrier for small firms in the innovation industry to start their business. Therefore, HK has the "hardware" to establish the intellectual properties exchange hub. Yet, a well-structured regulatory mechanism should be employed to ensure the quality and effective enforcement of the new patent system.

Standard Patent System (Chapter One)

- (a) The proposed OGP system will not only bring abstract intellectual properties into more solid, tangible assets in HK industries, but also provide the niche for multinational corporations and research experts to create their business opportunities with HK serving as a platform; transforming HK into an international intellectual properties (IP) exchange hub. With this window function, HK would definitely attract entrepreneurs, research experts and IP specialists to station and expand their projects. In this case, more career opportunities would be created for experts in both legal and technical background. What's more, this would create an atmosphere for the cooperation and collaboration between the industries and the academia to work out the best solutions to fulfill the technological development with marketable commercial values. Certainly, these interactions can enhance the quality of patent granted in HK and promote the support of open innovations in the universities and research institutes.
- (b) Demands of services related to IP affairs have a sound increase in HK. According to the data of Hong Kong Trade Development Council, licensed products in HK (per capital retail sales) grew from 17.4 US dollars to 37.1 US dollars during 2001 and 2009, which is a two-fold increase. This impressive growth rate has implied a promising foundation for the set-up of an OGP system and efforts spent in building this system would bring in tremendous economic benefits. This ensures the OGP system is cost-effective.
- (c) Since effective distribution of the IP portfolio is the key of success of running an IP exchange hub, better recognition of patent granted in HK across different regions would be the very first thing to work on. Like Singapore, HK may offer flexibility to the patent applicants that the examination of the patent may be outsourced to other patent offices in different regions or to have examination by HK patent office. In addition to the three existing patent offices, HK patent office may also outsourced to the patent office in the US (largest and most mature IP market), Japan, Korean and Germany (easier localization to market with patents written in their local languages and recognized by the local patent offices).
- (d) As an alternative in the transition stage for easier implementation of the new patent system, the "re-registration" system should be maintained with recognition by jurisdictions in US, Japan, Korean and Germany, so as to be in line with the OGP system.

Short-Term Patent System (Chapter 2)

- (e) The Short-Term Patent System allows small firms to focus on their innovative projects with a "protection time" as they may have limited resources at the early stage of development. Therefore, maintaining the short-term patent system can promote local innovations.
- (f) (1) Substantive examination of the Short-Term Patent System can be done in the second year of the patent effective period. It would serve as a

condition for commencement of infringement proceedings and the patent owners are recommended to apply the examination to protect them.

(2) The current term of protection is similar to those in other patent offices and may serve its purposes effectively.

(3) As most of the jurisdictions allows unlimited claims in the lesser patent, HK may follow the practice of mainland patent office to charge more on patent exceeding 10 claims.

(4) To encourage the academia to cooperate with the industries, a lower threshold of patentability, but a closer monitoring system for patent owners whom did not apply examination may be employed. This includes compulsory and regular legal and technical reports on the updates of the patent claims.

(5) More intangible innovations, including but not limited to arts and music, may be included in the Short-Term Patent System

(g) The Short-Term Patent System should be maintained and align with the changes on the Standard Patent System.

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

(h) HK should have a regulatory regime for professional providing patent agency services so as to set-up a standard for these services. As mentioned at the beginning, HK has her own environment to become the IP exchange hub and the regulation on the agency services should be independent on whether an OGP system will be employed.

(i) (1) and (2) Specific titles should be limited to legal and technical professionals. The legal professional with the title can represent his/her client in the court on the patent and can amend the specification of the patent. The technical professional with the title can draft and finalize the specification of the patent.

Other suggestions

(j) HK should serve as the window for global development of mainland innovative companies and platform for multinational corporations to market in mainland. In addition to the advantages discussed, HK also provides the platform for the smaller firms to gather financial support and expand their business with HK's sophisticated role in financial market. Overall, HK has the niche to launch the development of IP exchange industries, and would initiate the new wave of "knowledge-based economy".

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Best regards,

Biochemistry Alumni Association, HKUST