

31 December 2011

Division 3
Commerce, Industry and Tourism Branch
Commerce and Economic Development Bureau
23rd Floor, West Wing
Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

RE: Comments On Issues Set Out In The Consultation Paper Regarding Hong Kong Patent System.

Dear Sir/Madam:

I am a named inventor in more than 200 patents from US, Europe, China, Japan, Korea and other countries for inventions made by me at Samsung Electronics, 3M Company and Imation Corporation. Currently I am a US Patent attorney as well as a Hong Kong solicitor at Jones Day, an international law firm having one of the best patent practices in the world with about 250 patent attorneys worldwide. In Jones Day I handle various patent matters including prosecuting patent applications worldwide for Jones Day's Hong Kong and overseas clients. As a prolific inventor and an experienced patent attorney, I believe I am well-qualified to provide comments on the issues set out in the Consultation Paper published by the Government. My comments are shown below.

Standard Patent System (Chapter 1)

- (a) What benefits will an OGP system bring to Hong Kong? Will an OGP system promote local innovation and enhance patent quality?

Comment: Many Hong Kong enterprises just wish to obtain standard patents in Hong Kong to protect their home market. The current re-registration patent system does not allow patentees to obtain standard patents just in Hong Kong because they have to obtain patents in Europe or China first. The OGP system will save such patentees expensive foreign filing costs. They can use the saving on promoting their innovations and/or enhancing patent quality.

Another great benefit is that the OGP system can eventually support a large number of highly paid patent examiners and patent agents/attorneys in Hong Kong. This will be good for Hong Kong economy as well as local science and engineering graduates who have difficulties in finding jobs closely related to the education background. Of course, we need a transition period for training patent examiners and patent agents/attorneys. At the beginning we can send patent examiner trainees to SIPO and other foreign patent offices for training, just like what China did when it enacted its first patent law in 1984. The local patent associates such as the Hong Kong Institute of Patent Attorneys, the

Hong Kong Institute of Patent Practitioners, and the Asian Patent Attorneys Association (Hong Kong Branch) can train patent agents and attorneys to serve local enterprises.

- (b) Will there be sufficient demand to support an OGP system in Hong Kong? Will it be a cost-effective system?

Comment: Singapore is a good example of a cost-effective system. According to the 2009-2010 Statistics Report of Intellectual Property Office of Singapore (IPOS), there are 9773 applications filed in Singapore in 2010. The 2009-2010 Statistics Report is attached herewith. The number of standard patents filed in Hong Kong in 2010 is 11,702, almost 20% more than Singapore. Therefore, there is a sufficient demand to support a cost-effective system OGP system in Hong Kong.

- (c) Should we introduce an OGP system in Hong Kong with substantive examination outsourced to other patent office(s), and, if so, which office(s) and why?

Comment: As mentioned above, the OGP system can eventually support a large number of highly paid patent examiners and patent agents/attorneys that can bring tax income and job opportunities to Hong Kong. If the substantive examination is outsourced to other patent offices, Hong Kong will lose this important benefit. Further, it hurts Hong Kong's reputation as a can-do city and will be a great insult to local talents and Hong Kong society as a whole. Please be reminded that Hong Kong universities are ranked the top universities in Asia year after year and our graduates are the best in Asia. In the other words, we have an ample supply of talents in Hong Kong.

Having said that, if there is a good reason (*e.g.*, training) for outsourcing to other patent office, SIPO is the first choice provided that it agrees to train our examiners.

- (d) Irrespective of the answers to (c) above, should the current "re-registration" system be maintained, and, if so, should the system be modified as appropriate, including expansion to recognize the patents granted by other jurisdiction(s), and, if so, which jurisdiction(s)?

Comment: The current "re-registration" system is equivalent to allowing other countries to enforce their judgments in Hong Kong without allowing Hong Kong to enforce Hong Kong judgments in these countries. Just like judgment enforcement, no country in this world allows such "re-registration" system because it is deemed to surrender the country's jurisdiction or sovereignty to other countries. For the above reasons, the current "re-registration" system must not be maintained for jurisdiction and sovereignty reason.

Furthermore, for patent policy reason, the current "re-registration" system must not be maintained because the current "re-registration" system does not provide the benefit of an OGP system, *i.e.*, original disclosure to the citizens and enterprises of the granting country so that they can learn or improve the original invention as well as practise the original or improved invention in the country. Under the current "re-registration" system, Hong Kong just receives a secondary disclosure of the invention because the invention

must be disclosed first in Europe or China. A secondary disclosure means Hong Kong citizens and enterprises will not learn the invention earlier than their competitors in Europe or China and they are always behind their competitors in innovation and technology. This is not the right patent policy which the Government wants to maintain.

Short-Term Patent System (Chapter 2)

- (e) What benefits does the short-term patent system bring to Hong Kong? Does it promote local innovations?

Comment: It provides a faster and cheaper procedure to Hong Kong citizens and enterprises to protect their inventions in Hong Kong. It is just like utility model patent systems in China and other countries. Those countries believe utility model patent systems promote local innovations. Therefore, I also believe the short-term patent system can promote local innovations.

- (f) Should we retain the current short-term patent system in its existing form, or should we introduce changes to the system? If the latter, what sort of changes should be introduced?

Comment: We should not retain the current short-term patent system in its existing form because it is subject to abuse by the owners of short-term patents because it is very expensive for alleged infringers of short-term patents to challenge their validity because the current system requires the challengers to go court to revoke or invalidate the short-term patents. If we have examiners in IPD after the introducing of the OGP, the revocation or invalidation proceedings can be done at IPD which should be much cheaper and easier than the current system.

- (1) Should we introduce substantive examination? If so, when should it be carried out? Should it be a mandatory requirement or optional? Should it be a condition for commencement of infringement proceedings? Should the question of whether a substantive examination be carried out be left to the choice of the patent owner or a third party, and who should bear the costs?

Comment: We should not introduce substantive examination to the short-term patent system because some patentees just want to have a cheaper and easier alternative to the OGP system, just like the utility model system being a cheaper and easier alternative to the invention patent system in China.

- (2) Should we extend the current term of protection? If so, how long should the term of protection be?

Comment: No comment.

- (3) Should we relax the present restriction on the number of claims that may be included in each patent application? If so, how many claims should be allowed in each patent application or should there be no restriction at all?

Comment: No comment.

- (4) Should we lower the threshold for patentability for short-term patents? If so, what alternative threshold should be applied?

Comment: This is a bad question because there is no substantive examination for patentability (i.e., novelty, inventiveness, and industrial applicability) for short-term patents. The question should be: Should we raise the threshold for patentability for short-term patents?

- (5) What other changes are required?

Comment: As mentioned above, we need to provide alleged infringers of short-term patents with administrative (i.e., non-judicial) revocation or invalidation proceedings for them to challenge the validity of the short-term patents.

- (g) Should we discontinue the short-term patent system altogether?

Comment: No, it will provide a cheaper and easier alternative to the OGP system.

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

- (h) Should Hong Kong have a regulatory regime for professionals providing patent agency services? Should the promulgation of a regulatory regime or otherwise be made dependent on whether an OOP system is to be implemented in Hong Kong?

Comment: Hong Kong should have a regulatory regime for professionals providing patent agency services. The promulgation of a regulatory regime or otherwise should be made independent on whether an OOP system is to be implemented in Hong Kong

- (i) If a regulatory regime is to be introduced for providers of patent agency services,

- (1) should we restrict the provision of such services to persons meeting certain qualifications or requirements only? Or should we limit the use of particular titles only but allow the provision of such services by any person?

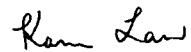
Comment: We should restrict the provision of such services to persons meeting certain qualifications or requirements only.

- (2) should the regulation apply to all types of patent agency services or only to certain services e.g. the drafting and amendment of patent specifications under an OGP system?

Comment: The regulation should apply to all types of patent agency services.

I believe that the above recommendations can encourage local innovation and attracting investors to use Hong Kong as a launching pad for their research and development operations.

Sincerely,



Kam Wah Law, Ph.D., J.D.
US Patent Attorney
Hong Kong Solicitor