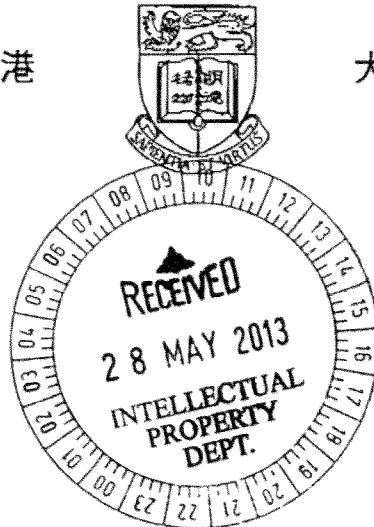


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THE UNIVERSITY OF HONG KONG

香 港 大 學

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May 27, 2013

Mr. Peter KF Cheung
The Director of Intellectual Property
Intellectual Property Department, the HKSAR Government
25th Floor, Wu Chung House
213 Queen's Road East
Hong Kong

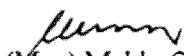
Dear Mr. Cheung,

Consultation on Regulation of Patent Agency Services

I refer to your letter dated March 20, 2013 inviting comments from the University on the report by the Advisory Committee on Review of the Patent System in Hong Kong and the recommendations made therein.

Attached please find some comments prepared by our Technology Transfer Office (TTO) which manages the University's invention disclosures and intellectual property assets. The TTO also provides services and support to all University academic staff on matters relating to technology transfer, intellectual property protection, etc. I hope you are finding these general comments with respect to the situation at the University of Hong Kong useful.

Yours sincerely,


(Mrs.) Mable Chiu
Senior Assistant Registrar

Encl.

The Current Hong Kong Patent System

An introduction to Hong Kong Standard and Hong Kong Short Term Patent

| | Hong Kong Standard Patent | Hong Kong Short Term Patent |
|-----------------|--|---|
| Mode | "Re-registration" system | Utility Model |
| Characteristics | Re-registered European (EPO), British (GB) or Chinese (CN) Patents in Hong Kong | No substantive examination procedure; The examination on patent validity is only triggered by infringement proceedings. |
| Patent Life | 20 years | 8 years |
| Pros | Operating effectively throughout the years; Quality of patents granted is high. | Simplicity as only formality requirements are needed to satisfy; Welcomed by applicants. The number of applications increases gradually from 297 in Yr. 2008 to 443 in Yr. 2012. |
| Cons | Lacking of Originality; Patentees who would only be interested in obtaining a Hong Kong Patent, but would not be interested in obtaining a European, British, or Chinese Patent, may need to spend extra costs. | The quality of the patents is not guaranteed. As a result, the trading value of such patents may be low. |

Reasons of Introducing Originality to Hong Kong Patent System and its Importance

1. Developing Patent Industry in Hong Kong

- In 2011, the gross domestic expenditure on R&D (GERD) of Hong Kong [i.e. total expenditure on R&D performed by local business establishments, higher education institutions and government sector (including public technology support organizations)] amounted to HK\$13,945 million, representing an increase of 5% when compared with 2010. A faster growth was registered for GDP at 9% during the same period;
- About 181 business establishments had patents granted for their technological innovation undertaken during 2011, involving a total of 363 projects. Among all the patents granted, the major granting country/territory of these patents were China (71%) and Hong Kong (23%);
- From the above points, it appears that business establishments, higher education institutions and government sector are willing to spend resources in innovation ideas and research; in order to protect or further improve their research results, they may be eager to obtain Hong Kong Patents;
- With Original Grant Patent, it may encourage more innovative participants to apply for patents in Hong Kong, which in turns may create a demand for patent professionals – e.g. patent attorneys and patent examiners;
- For patent attorneys, they are usually required to have knowledge in technological disciplines. Taking EP as an example, the candidates are required to possess a scientific or technical qualification. It may open up other development opportunity for graduates and post-graduates with biotechnology, science and engineering qualifications;
- For patent examiners, they are usually required to have university degrees in scientific or technology areas and with excellent language skills. Such demand may help attract local and overseas professionals and enrich our Examination System via their expertise and experience;
- Because of the increasing number of patent applications in Hong Kong, industry may have interests in increasing business revenue or enhancing their product lines by in-licensing or out-licensing activities. Apart from bringing more inspirations and research driving force to industries, these licensing activities would also create the demand for and the support from legal professionals;
- Patents may be regarded as an intangible asset of a company, and a company with prospective patent portfolio may attract investments for further growth, e.g. venture capitals.

- Summary: Original Grant Patent could offer the development opportunity for and generating the demand of the relevant professionals. More importantly, it helps enhance the reputation of Hong Kong and serves as one of the components to further drive Hong Kong towards a knowledge-based economy.

2. Paths of Developing Hong Kong Original Grant Patent System

- Hong Kong does not have a well-developed Patent Examination system at this moment, it may be difficult to recruit sufficient number of Patent Examiners to handle the applications at the initial stage. A possible solution is seeking for support from other national patent office, e.g. State Intellectual Property Office ("SIPO"), on the examination of the patent applications.
- Through trainings and experience sharing of other patent offices, Hong Kong could eventually be able to build up sufficient resource in handling the patent examinations. In addition, there might be also a possibility to help taking up part of the examination workload if the System could be accredited by SIPO or could be served as a SIPO branch.
- To simplify the examination procedures and to encourage more patent applications in Hong Kong, a possible way could be allowing a Hong Kong patent to be entitled as a granted patent in the PRC through a registration system, which is similar to the existing Hong Kong Standard Patent System. A future development might be on the feasibility or possibility of the Hong Kong granted patents being recognized by the China patent system.

3. Response to Consultation

- The University of Hong Kong files a certain number of patent applications in different countries every year. The top five countries are:
 - I. United States;
 - II. The People's Republic of China;
 - III. United Kingdom;
 - IV. Europe;
 - V. Germany.
- As such, patent attorneys that are familiar with patent systems in different jurisdictions and could prepare patent specification to meet different national requirements are most desirable.
- In other words, we would like to seek for the services from Hong Kong patent participants that have knowledge and experience in international patent prosecution.
- For grandfathering and accredited arrangements, as a user of the patent system, we may not be in the best position to make comment; instead of, it may be

advantageous to seek for the comments from the relevant professionals in this field.

- For a register system or patent professional list, we are of the view that such arrangement may help in building up users' confidence in this industry.

Reference:

1. http://www.ipd.gov.hk/eng/intellectual_property/ip_statistics/2013/ip_statistics_short_patent_application.pdf
2. <http://www.statistics.gov.hk/pub/B11100102011AN11B0100.pdf>