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31 May 2013

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Dear Peter,

**CONSULTATION ON REGULATION OF PATENT AGENCY SERVICES**

Further to your letter of 20 March 2013 in relation to the above, I now write to enclose submissions made by APAA on the issues raised in your letter. I hope you find them helpful.

As always, APAA is keen to give whatever assistance we can to help establish a credible and internationally acceptable regulation system. It is a complex issue, but APAA has members with a broad range of worldwide knowledge and experience relevant to issues of regulation (and a wide variety of other patent issues). We have already conducted valuable comparative research into the position in other jurisdictions and are happy to work with IPD and others to make the best possible use of that information and the expertise of our members.

Whilst we have not come out in favour of introducing interim measures, we do favour promptly beginning the task of drafting a list of those with relevant qualifications and starting the debate now on what "protected term(s)" might be adopted and who should / should not qualify to use it / them.

Yours sincerely,

T. J. Hancock

Encl.

**RESPONSE TO  
INTELLECTUAL PROPERTY DEPARTMENT  
REQUEST FOR VIEWS  
ON THE REGULATION  
OF PATENT AGENCY SERVICES**

ASIAN PATENT ATTORNEYS ASSOCIATION  
COUNCIL  
PATENTS COMMITTEE  
PATENTS REVIEW COMMITTEE

31<sup>ST</sup> MAY 2013

## INTRODUCTION

This is the response of The Hong Kong Group of The Asian Patent Attorneys Association to the request of the Director of the Intellectual Property in his letter of 20<sup>th</sup> March 2013 for views related to the regulation of Patent Agency Services. The report submitted by the Advisory Committee on Review of the Patent System in Hong Kong in February 2013 recommended that a system be established to regulate those providing patent related services in Hong Kong in the long term and shorter-term interim measures be considered meanwhile. This response addresses the Directors' questions on possible interim measures, but also comments first on possible longer term issues relevant to regulation.

The Asian Patent Attorneys Association has been established and active in the Patents and Intellectual Property field in Hong Kong for almost 40 years. We are the de facto body for professionals who act as Patent Agents / Patent Attorneys in Hong Kong. In view of our long standing ties with the Patent profession in Hong Kong, our close relationship with the Hong Kong Intellectual Property Department, our long established Asia-Wide Asian Patent Attorneys Association and its connections with Governments and Non Government Organizations within the Intellectual Property community around the world, we believe that APAA is suitably and uniquely positioned to assist in and advise on the foundation and subsequent management of any patent attorney professional controlling body in Hong Kong. APAA Hong Kong is qualified, ready, willing and able to assist in the significant task of establishing an appropriate regulatory regime suitable for Hong Kong.

## **INTRODUCTION TO ASIAN PATENT ATTORNEYS ASSOCIATION**

The following is the combined effort of the Council of the APAA Hong Kong recognized group, the Standing Patent Committee of the group and a Patents Review Committee of that same group specifically established to review the proposed changes in Patent Law in Hong Kong (collectively "APAA Hong Kong").

For details of the establishment, history and structure of APAA and APAA Hong Kong, please see pages 4-7 inclusive of the APAA Hong Kong Submission No. 42 of 31<sup>st</sup> December 2011 on the Review of the Patent System. Apart from an increased membership, the overall position of APAA Hong Kong remains the same. The Patents Review Committee of APAA Hong Kong has submitted an Interim Report to the Council of APAA. The content of much of that Report forms the basis of the views expressed below. That Patents Review Committee work was suspended following the issuing of their Interim Report and pending issue of the Report of the Advisory Committee on review of the Patent System in Hong Kong. Since publication of the Patent Advisory Committee Report in February 2013, the APAA Patents Review Committee has informally reconvened to consider the recommended changes in law suggested in that Report. Meanwhile, that Patents Review Committee has also specifically considered the Director of Intellectual Property's request for views on regulation of patent agency services as requested in his letter of 20<sup>th</sup> March 2013.

## OVERVIEW

Whilst this Paper addresses the issue of possible regulation of the patent profession in Hong Kong (specifically possible interim measures mentioned by the Intellectual Property Department), it is important to note the key recommendations and suggestions for substantive changes to Hong Kong Patent Law suggested by the Advisory Committee Report of February 2013, namely :-

1. A system of "Original Grant" patents is to be introduced into Hong Kong law with substantive examination of original grant patents to be outsourced to Patent Offices outside Hong Kong.
2. The current Re-Registration System of Patents in Hong Kong is to be retained.
3. The current Short-Term Patent Registration System in Hong Kong is to be retained, but with several substantive amendments and refinements.
4. A System of Regulation of Patent Agency Services be developed in stages.

Particularly bearing in mind the significant changes in law recommended at 1 above and the fact that the Short-Term Patent Registration System is to be retained (albeit in amended form), it becomes particularly important that there is clear regulation of those providing Patent related services. The public in Hong Kong and others from overseas using Patent service providers in Hong Kong must have a high level of confidence that those offering (in particular) the wide range of substantive, technical and legal patent services in Hong Kong meet high professional standards and are properly trained and qualified to provide the services they offer. This in turn requires clarity in definition of terms that may be used by those providing patent services. There must be no scope for users of patent services misunderstanding the areas of competence of those who describe themselves as Patent Attorney / Patent Agent (terms which do not yet have any legal definition in Hong Kong but do have a level of understood meaning internationally).

Whatever system of regulation may be introduced, it is important that the equivalent systems used by Hong Kong's most significant trading partners are also considered. The system eventually chosen must be compatible with systems in those countries / trading areas (in particular, USA, Europe, China, Australia).

APAA Hong Kong confirms and re-states the contents of Chapter 3 of their submissions of 30<sup>th</sup> December 2011 (Submission No. 43). We also support the submissions of 30<sup>th</sup> December 2011 filed by Professionally Qualified Patent Attorneys Currently Practising in Hong Kong (Submission No. 46), the majority of the authors of that Report also being members of APAA. Some of the issues raised in those submissions will be repeated and restated here so that comments on proposed interim measures are considered in context.

## THE CURRENT SYSTEM

At present, anyone can establish a business and describe themselves as offering a variety of patent related services. There is no restriction on people describing themselves as Patent Agent, Patent Attorney or other similar expression – even though such terms have a known and specific meaning in many countries around the world. It is not correct, however, that the area of Patent services is currently completely lacking in any form of regulation. However, there is definitely a need for close regulation of, in particular, those offering substantive patent drafting and related advisory work.

Despite changes to be introduced to Hong Kong Patent law by the proposed introduction of an Original Grant System and the amendments that are to be made to the Short-Term System, generally people using the Patent System in Hong Kong (both local and overseas) will still require the same basic advice and assistance in the following areas – all of which need to be considered when formulating an appropriate system of regulation :-

1. How best to protect an idea or invention generally. Patent law is only a part of a more wide ranging system of protection of Intellectual Property rights. Aspects of copyright, design, trade mark and passing-off law may all be relevant as well as patent protection. Patents should not be looked at in isolation.
2. Drafting a patent specification and claims (whether for a full 20 year patent or a short-term patent). This is highly skilled work which should only be undertaken by properly qualified patent professionals. They must have relevant knowledge of the field of technology involved. They must be trained in searching patent databases for relevant prior art. They must be able to assess patent search results as against the invention. They must be able to draft a specification which explains the invention in the light of all the prior art and settle claims which clearly express the extent of monopoly being claimed under Hong Kong Law without those claims being drafted too widely or too narrowly. With the proposed new ability to file for full 20 year patents in Hong Kong, the demand for experts in this area in Hong Kong may increase (although APAA Hong Kong remains unconvinced that this will necessarily be the case). The retention of the short-term patent system also makes it important for there to be properly technically qualified patent experts. The importance of proper expert technical skills in drafting a short-term patent are often understated. The technical skills required are just as high as those necessary to draft an effective 20 year patent – not least because a properly drafted short-term patent filed in Hong Kong can be used to form the basis of full 20 year patent protection on a worldwide basis.

3. Advice on when, where and how to file an initial "priority" patent application so as to have the best possible results in terms of cost-effective geographical coverage for that particular client for that particular invention in that particular field of technology.
4. Advice on how, when and where to file other applications to maximize the effectiveness of coverage for client's patented invention elsewhere around the world in accordance with the client's commercial needs and budget.
5. Advice on how best to exploit a client's patent rights (and other related intellectual property rights) by way of licensing, franchising and otherwise structuring client's affairs so that income and capital gains from that exploitation are dealt with most efficiently.
6. Advice on how best to enforce patents and other related intellectual property rights should infringement problems be encountered in Hong Kong (and elsewhere).

It is in the above areas in which clients and members of the public (in Hong Kong and from outside Hong Kong) currently require advice and assistance. The basic type of people likely to be available to offer that advice will probably be broadly the same as at present and as set out below (with comments on the current level of regulation which applies) :-

- (a) Patent Attorneys / Patent Agents – fully qualified professional with scientific backgrounds and the professional skills and qualifications required to undertake the technical drafting of patents referred to at 2 above. In some jurisdictions, these professionals may be referred to as Patent Attorneys / Agents or Registered / Chartered Patent Attorneys / Agents. As there is no formalised separate "Patent Attorney / Agent" profession in Hong Kong, professional patent services have been provided by firms having professionally qualified foreign Patent Attorneys for decades, these practitioners being predominantly Registered Australian, New Zealand and UK Patent Attorneys. However, there is currently no legal definition of these professions in Hong Kong or protection of this terminology. There is no regulatory system governing either those professionals in Hong Kong, or others holding themselves out to do patent drafting and professional work. However, those who have earned their patent agent or patent attorney qualifications outside Hong Kong (historically UK, Australia and New Zealand for the most part in Hong Kong), are still subject to the rules and regulations of the professional governing bodies in their "home" jurisdiction. APAA Hong Kong believes that all of its members who are "Patent Attorneys / Patent Agents" are covered by insurance for the professional services they offer in Hong Kong (insurance



being an important aspect to consider where establishing a "Profession" in Hong Kong).

- (b) Lawyers – principally Solicitors, plus some Barristers. All Solicitors / Barristers who handle legal work (including patent related and other intellectual property work) are regulated by the Law Society or Bar Association (as appropriate). To enable them to practice, they must be covered by insurance to protect the public.
- (c) Agents for Patents – There is no legal definition for this category. It is used by some solicitors on their notepaper to describe services they may offer in relation to patents and to distinguish them from the very different and specialised services offered by technically qualified Patent Attorneys / Patent Agents. This area has become somewhat blurred in recent years as some firms of solicitors employ fully qualified professional Patent Attorneys / Patent Agents. Even within the professional categories referred to above, regulation is required to ensure that (for example) solicitors acting as such without Patent Attorney / Patent Agent qualifications do not draft patent specifications or claims and (again, for example only) that Patent Attorneys / Patent Agents acting as such do not advise on areas of law outside their specialisation in patents.
- (d) Others – Apart from the above, anyone may currently establish a business in Hong Kong and describe themselves as offering many of the patent services referred to at 1-6 above without regulation or insurance. APAA Hong Kong believes it is important for the protection of the public that this aspect is also regulated. Particular consideration needs to be given to the position of those who may have some level of patent qualification from outside Hong Kong, who wish to work in Hong Kong (and otherwise qualify to reside here) but whose standard of qualification is not as high or whose overseas credentials do not meet the stringent and high standards that Hong Kong must maintain when establishing its new Patent profession.
- (e) There is a further category to consider. Many firms and individuals currently only deal with patent issues by way of handling "formalities only" applications to re-register patents obtained in UK, Europe (UK) or China under Hong Kong's current system – a system which is to be continued / retained under the proposals made by the Advisory Committee Report of February 2013. Should there be any attempt to regulate those providing these "formalities only" services? A policy decision needs to be made on this issue.

## LIKELY / POSSIBLE EFFECT OF PROPOSED CHANGES TO THE LAW

Introduction of an OPG System and retention of the Short-Term Patent System will probably not significantly change the general nature of advice sought from patent professionals in Hong Kong. It may well mean that there will be more emphasis on patent drafting skills and related technical advice for clients based in Hong Kong. The full extent of this will depend upon the precise nature of substantive changes to be made to the law when the OPG System is introduced and the precise nature of the amendments which are to be made to the Short-Term Patent System. However, APAA Hong Kong firmly believes that the underlying system of regulation of the patent profession must include provisions in the long term whereby :-

- (a) Only properly trained and qualified people should be entitled to carry out the technical searching and drafting work referred to at 2 above.
- (b) Only properly trained and qualified people should be entitled to call themselves Patent Agents / Patent Attorneys (or some other suitable "protected terms" as may be agreed).
- (c) Any newly established Hong Kong system for the training appointment and monitoring of Patent Agents / Patent Attorneys must maintain the highest possible standards acceptable internationally and compatible with the new Hong Kong Law to ensure that Patent Agents / Patent Attorneys trained and appointed locally have an internationally acceptable level of knowledge and expertise, including the following minimum requirements :-
  - (i) A technical / scientific university degree
  - (ii) Passes in written exam papers on both substantive patent law and patent practice (not by way of multiple choice exam)
  - (iii) Completion of an appropriate period of practiced training under the supervision of a fully qualified Patent Agent / Patent Attorney (probably for a minimum of 2 years).
- (d) People coming from outside Hong Kong, who satisfy minimum residency requirements and have Patent qualifications in their home country may be considered eligible to practice as Patent Agents / Patent Attorneys in Hong Kong if the level / standard of this qualification is considered at least equivalent to the high standards set for local qualification in Hong Kong. If considered not to be equivalent, there should be provisions whereby that person can take some (or all) of the Hong Kong exams and/or undertake a period of traineeship before they may practice as Hong Kong qualified Patent Agents / Patent Attorneys.

Failing this, their presence in Hong Kong should still be recorded and there should be limitations on the scope of substantive patent work that person can undertake in Hong Kong (in much the same way as the work of Foreign Registered Lawyers is monitored and restricted by the Law Society).

- (e) Lawyers who work in the Patents area must (in addition to their formal Hong Kong legal qualifications), must have an agreed period of post-qualification experience dealing substantially with Intellectual Property matters generally have attended approved courses / passed approved exams before being able to describe themselves as a Patent Attorney or other agreed "protected term". Such a qualification should not entitle such lawyers to undertake substantive Patent work of the type described at 2 above.
- (f) Agents for Patents – it is questionable whether this term should even be retained, due to the confusion it creates. In any event, clear rules need to be established as to the proper use of this term and whether or not there should be limitations on the "Patent work" those using such term may / may not undertake.
- (g) Others – clear decisions need to be made as to whether or not it is necessary to regulate in any way those who will perform services by way of re-registrations of patents obtained overseas (as per the current system).

Establishing a full and comprehensive regulation system is complex, and guidance should be obtained from the system in relevant jurisdictions such as Europe, China, Australia. In effect, unless the Government is prepared to take on the role of setting and maintaining relevant standards, it will involve establishing a brand new profession in Hong Kong where no previous independent profession has existed. APAA Hong Kong has members who were involved in establishment of the post-1997 Notaries Profession in Hong Kong and have some practical knowledge of what is involved. It will take time to formalise and establish the patent profession and corresponding regulation system. It is something that needs to be planned and developed independently from the proposed developments in the detailed patent law and regulations in relation to the new OPG System and amendments to the Short-Term System. Whilst the substantive law and corresponding regulations are being developed, the current system of re-registering patents will continue to operate. As that system is a "formalities only" system which does not involve significant knowledge in substantive patent law, there is no immediate necessity to introduce interim measures for the regulation of those providing patent services. The Short-Term system will also continue to operate as it does at present until proposed changes to the law come into effect.

The current system has been operating since at least June 1997 (and for many years before that when a different re-registration system of patents applied to Hong Kong). Whilst APAA Hong Kong believe that a full and complete regulation system is required in the fullness of time (even if an OPG system is not eventually introduced) and steps can be taken now to prepare for the introduction of a new system, we do not believe that the current system is one which is capable of a "quick fix". . Some of the issues involved in the introduction of regulatory measures (effectively establishing a new separate patent profession) are highly complex and involve comparative consideration of a wide variety of different systems operating in several of Hong Kong's various trading partners around the world. There are potentially significant political and other sensitivities involved, however these must not compromise the integrity and international expectation of the professional of Patent Attorneys / Patent Agents.

As with any Profession in Hong Kong or elsewhere around the world, there will need to be appropriate law and detailed regulations dealing with the following more general areas, in addition to the above issues specific to the Patent field :-

- (a) Qualifications and Professional Standards / Ethics applicable to those in the Profession.
- (b) A clear disciplinary procedure to ensure that Professional Standards / Ethics are maintained with appropriate powers to censure, punish and even ban from practice those members of the profession who are in breach.
- (c) Insurance – all those who are permitted to practice as Professionals qualified under the new regulatory regime must at all times maintain suitable professional indemnity insurance.
- (d) The opportunity should be taken to clarify the status of communications between members of the new profession and their clients in relation to privilege. This is a complex grey area in Hong Kong and clear rules in any new law would bring some welcome clarification to this complex area.
- (e) If appropriate, the ability of professionals qualified under the new system to appear before and address courts, patent registries and other tribunals relating to patent issues should be clarified.

Education is an important aspect for any profession. APAA is already involved in education both regionally and locally in Hong Kong. Regionally, the APAA Annual Conference held every year somewhere in Asia has always included an element of tutorials / seminars on topical Intellectual Property issues (for which Law Society approval is obtained and Hong Kong Solicitors may obtain Continuing Professional

Development Credits). More recently, the APAA Academy has been set up. This will provide educational programmes, professional publications and professional training to members of APAA.

Locally in Hong Kong, APAA members have acted as tutors / lecturers for the FICPI / SEAD Patent Drafting Course when it has been held in Hong Kong in the past. APAA Hong Kong is currently working on developing a series of lectures / tutorials / seminars to be run jointly by its Patent Attorney / Patent Agent and specialist Solicitors members on detailed patent related issues so that Lawyers acquire a better understanding of patent drafting issues and Patent Attorneys / Patent Agents learn more about Patent related legal issues. Ultimately, it is the intention that those lectures / tutorials / seminars be developed into more comprehensive courses (working in conjunction with the Asia-Wide APAA Academy). In the long term, it is hoped it will be possible to offer Hong Kong courses to Hong Kong residents providing full accreditation for some (or all) of the local Hong Kong qualification requirements under whatever system is eventually established here.

**POSSIBLE INTERIM MEASURES SUGGESTED BY  
THE INTELLECTUAL PROPERTY DEPARTMENT (IPD)**

We now comment on the specific IPD suggestions below, with numbering / lettering corresponding to the subparagraphs in Paragraph 4 of the IPD letter of 20 March 2013. We would observe generally that we see some difficulty with the concept of interim or short-term measures in the area of regulation. We do not wish to be negative, and APAA wishes to do all it can to help and be actively involved in the establishment of the new regulatory system. However, it seems the Interim Measures proposed will not be supported by any underlying law or regulations. Without any the backing of law or any ability to enforce Interim Measures, they will be of limited use and may have a negative impact.

Further, whilst the current re-registration system of patents continues in Hong Kong pending introduction of the new law on Original Grant and specific amendments to the Short-Term Patents, there do not appear to be any specific urgent issues which must be addressed immediately and which require the introduction of urgent interim measures. Many of the possible interim measures suggested are likely to raise substantial and controversial issues in their own right. Fundamental policy decisions will need to be made when formulating the principles which will underpin the legislation required to introduce a regulated profession.

With the above general comments in mind on the limited enforceability of Interim Measures in the absence of any legal foundation to the introduction of those measures, we now turn to the specific suggestions made by IPD :-

(a) APAA Hong Kong agrees that the building of any recognition of a regulated patent agency profession should (at all relevant stages - but particularly on "launch") include a campaign to increase the awareness of users and potential users of both the current and proposed systems for those offering services in the patent field. There is considerable lack of knowledge / ignorance of how the current system operates – at many levels. The proposed new system will inevitably be significantly more complicated and will require significantly more explanation and clarification. The sooner this process of "education" begins – the better.

(i) SHOULD WE DRAW UP AND PUBLISH A LIST OF REGISTERED OF PATENT AGENTS WITH THEIR QUALIFICATIONS FOR PUBLIC INFORMATION AT A FIRST STAGE?

Superficially, this sounds attractive. Yes, perhaps work should begin on the compilation of a list of Patent Agents / Patent Attorneys. A separate list of lawyers who do patent work could also be compiled, perhaps also with a list of "Agents for Patents" and others active in the patent field as

discussed above. Without the backing of legislation, such lists could only ever be for "Reference Only". It will be hard to ensure they are comprehensive. Initially, they should only be used by those involved in addressing the practical issues involved in formulating policy decisions and thereafter drafting substantive legislation and regulations.

The compilation of such a list begs a number of the substantive and difficult questions which need to be considered in-depth in relation to the establishment of a regulated patent profession. For example, who draws up the list? (APAA Hong Kong is prepared to assist IPD in the drawing up of such a list but, apart from listing members of APAA, it will not be a comprehensive list of all involved in the patent field in Hong Kong). As there is no definition of "Patent Agents", "Patent Attorneys" or other similar terms when applied to Hong Kong (something must be addressed in the law / regulations establishing a substantive profession in due course), who should be included on such a list (and, more potentially controversial, who should be excluded)? Whilst not wishing to appear negative and whilst still willing to help compile relevant draft lists, we see the following problem areas :-

1. Patent Agents / Patent Attorneys (suitably defined) who are qualified in overseas jurisdictions and "practicing" in Hong Kong – in this case, which overseas jurisdictions qualifications will and will not be recognized as entitling that person to be on the list? Conversely, who should be excluded?
2. Lawyers / Solicitors – there are a great number of solicitors and barristers in Hong Kong. Only a small number have any experience or expertise in Intellectual Property matters generally or patent matters specifically. Who would be entitled to be included on the list, and who should be excluded?
3. Intellectual Property / individuals and/or businesses not involving any of the professions referred to at 1 or 2 above but who have been in businesses performing intellectual property services (including patent re-registration under the current system). Should they be included? Who should be excluded? What are the criteria? Who decides those criteria at this interim stage? The ultimate legislation / regulations will eventually decide these issues, but we believe they are not suitable for decision (by whom?) at an interim stage.

(ii) CRITERIA IN DRAWING UP LIST

In the absence of legislation, provision of information can only be voluntary. This limits the usefulness of any such list (and also creates possible dangers). A comprehensive list or lists of all those with relevant and appropriate qualifications should definitely be the ultimate goal of relevant legislation / regulations introducing the proposed new profession. Voluntary and/or incomplete lists at this interim stage will be of limited assistance or guidance to the public in Hong Kong pending introduction of the new original grant system. Draft lists will not clarify an area in which there is already a significant level of uncertainty in the minds of the public and may even lead to abuse by those who do not have relevant qualifications or experience. Despite these reservations, it would still be useful to start to compile some draft lists. They would probably have a role to play in deciding on the details of the regulatory system which will eventually be introduced.

- (iii) APAA Hong Kong believes that we are uniquely placed to begin the task of compilation of any draft lists as the de facto body for professional Patent Agents / Patent Attorneys / Lawyers operating in the patent field in Hong Kong. Alternatively, we believe that only the Intellectual Property Department of the Government could or should administer any list drawn up at this preliminary stage. Whoever compiles a list or lists at this interim stage, it should not be published. Ultimately, it should be the governing body of the proposed new profession which will need to compile and publish the definitive list or lists and be responsible for keeping those lists up to date as people enter and leave the profession. That governing body should not be administered by the Government. In common with most other professions in Hong Kong (solicitors, barristers, doctors, dentists, surveyors, notaries etc), any new profession should be "self administered". Ultimately, it is that new professional body which should publish and maintain the lists.

(b) CONTROLLING THE USE OF TITLES.

This also begs many of the fundamental questions mentioned above in relation to the ultimate form of the regulatory system for those offering services in the patent field.

- (i) There is no recognized definition of "Patent Agent", "Patent Attorney" etc in Hong Kong and this is a controversial and potentially very sensitive issue at many different levels. APAA Hong Kong believes this is not an issue which can be dealt with as an interim measure and without the backing of legislation. It is something which the eventual regulation of those offering services in the patent field should strive to achieve, but it is not something



which can be implemented at short notice (and there is no urgent need for such implementation).

- (ii) APAA Hong Kong does not believe that any specific titles can or should be controlled at this interim stage. Ultimately, any new profession established in due course will need to be very specific about separate titles which need to be chosen and given exclusivity. In particular, a clear differentiation must be maintained between
  - (a) those professionals who deal with substantive patent issues of the type referred to at 2 above (i.e. have high level science background at a tertiary level, have undergone substantial tuition and examination in patent law and practice at a high level, have undergone pre-qualification training under the supervision of already qualified “mentors” within the profession).
  - (b) those with general legal qualifications, in particular lawyers qualified in Hong Kong who also have appropriate skills and experience in patent related matters (at a level yet to be defined).

It might be considered appropriate to regulate others with relevant and defined qualifications and experience in patent related matters. Other defined and protected terms could be adopted to clarify the extent of their expertise, qualifications and experience in patent related matters.

- (iii) Adopting relevant criteria or deciding who may use relevant “controlled” titles is not something that it is possible or recommended be introduced as an interim measure. Potential titles for consideration as definitions in the eventual legislation are referred to above. Until a local qualification system has been firmly established, Hong Kong must rely on overseas qualifications – it is the only available option. Even after a new Hong Kong system has been established, there should provide the ability for those with suitable qualifications from overseas to “transfer” those qualifications and practice in Hong Kong or “upgrade” those qualifications to meet Hong Kong standards and then practice as a suitably “entitled” professional here.
- (iv) The criteria to be adopted in regulating use of protected titles are complex and not suitable for decision on an “interim” basis. The qualifications, examinations, experience and suitability of those to be included in any particular “protected” category requires a considerable amount of thought and consideration. In addition to all such qualifications, APAA Hong Kong firmly believes there must be a strict residence requirement.

Until a local profession has been established with suitably high standards of qualification / examination / conduct / discipline / insurance, acceptance of high level overseas qualifications and accreditation together with a minimum period of Hong Kong residence (continuing) should be considered. Whilst establishment and development of a local patent profession is the ultimate long-term goal, those with appropriate overseas qualifications and accreditation who have established relevant residence requirements should also be entitled to practice in Hong Kong. Very careful consideration needs to be given to any additional local Hong Kong examination / experience which a suitably qualified overseas candidate should be required to undergo before being allowed to practice in Hong Kong under one of the future "Protected Titles". None of these issues are simple or suitable for interim measures.

(c) IMPLICATIONS

APAA Hong Kong agrees that the uses identified in sub-paragraphs (i), (ii) and (iii) of Clause (c) of the IPD letter of 20 March 2013 correctly identifies many of the important issues which need to be addressed. They all relate to steps which must be taken when establishing a profession in due course. None of these are issues which can be solved on a temporary basis by introducing interim measures. They are all highly complex. Some are sensitive and potentially controversial. Every other profession of which we are aware is established by way of legislation with corresponding regulations dealing with qualifications, examinations, conduct, discipline, insurance and other issues relating to governance. Similarly, we believe a Patent profession can only properly be established by way of new legislation (and corresponding implementing regulations). APAA Hong Kong sees such law and regulations as being inevitable and not capable of being pre-empted by "Interim Measures" unless supported by legislation. Matters are significantly complicated in this case as there are at least 2 different types of qualification to consider those. If a single entity is to be entrusted to oversee the new profession, APAA Hong Kong believes that we are well positioned to carry this out. Alternatively, a separate body could be established. The further alternative is for the profession to be "split" along the above lines or for the "profession" to be run by government, but neither of these are preferred options or practical alternatives.

(d) GRANDFATHERING

It is vitally important to maintain the highest possible standards in harmony with standards maintained by Hong Kong's trading partners. Hong Kong must always be seeking to maintain credibility internationally as a centre of patent excellence where very high standards are maintained. It must also be realized that there is a very significant difference between the skill sets, training, knowledge and experience of patent practitioners with a technical background and lawyers and others providing advice and services in the patent field. That differential in skills will be maintained in the proposed new patent system and some element of Grandfathering is inevitable when establishing a new system. However, the issue of grandfathering is not appropriate for Short-Term or interim measures unsupported by legislation. It is something that needs to be considered at length in parallel with changes in the substantive patent law in Hong Kong and the wide range of other issues relevant to the establishment of any new profession.

- (i) Yes, there should be some "grandfathering" arrangement to establish founder membership of the new profession and determine who is entitled to use the "protected titles" which are eventually adopted. Such an arrangement should not include the ability for someone to be deemed to have technical background and training in patent drafting just because the person may have been involved in more general patent related issues for a particular length of time. There is absolutely no substitute for the lengthy and intensive training undergone by scientifically / technically qualified "Patent Attorneys / Patent Agents". By way of example, a solicitor who has acted in relation to patent issues over a number of years should not be entitled to "grandfathering" as a "Patent Agent". Conversely, those with a technical background and several years practice should not be deemed qualified and entitled to practice as a lawyer.
  
- (ii) The criteria to be adopted are very wide ranging and not suitable for Short-Term or interim measures.
  
- (iii) The right to use different "protected titles" is something which should be considered and legislated substantially in due course. Meanwhile, debate on the topic should begin now so important policy decisions can be made on this issue at an early stage. "Grandfathering" under the new procedure should only be allowed after very considerable in-depth consultation and discussion. It is not a suitable topic for Short-Term or interim measures unsupported by legislation and regulations.

- (iv) People should only benefit from “grandfathering” arrangement if their training, skills and experience are sufficient to justify them using any relevant “protected title”. It should not be granted on a temporary basis – either that person is suitably qualified and entitled to practice using a “protected title” without having to go through relevant training, or they are not so entitled. Short-Term or temporary grandfathering arrangements should not be allowed.

## IMPLEMENTATION TIMETABLE

APAA Hong Kong agrees that it will take considerable time to establish, in effect, a new patent profession in Hong Kong. This should not delay the commencement of preparing appropriate draft lists and commencing discussion about who should and should not ultimately be entitled to use relevant "protected titles". This work should start now. None of this need hold back the introduction of an OPG system or the proposed amendments to the Short-Term patent system. Indeed, the nature of that OPG system and amendments to the Short-Term system will help dictate the shape and structure of the proposed new profession. Unless and until a full patent profession or approved system to regulate those offering services in the patent field has been introduced, interim measures are inappropriate.

- (i) None of the possible interim measures suggested by the Intellectual Property Department should be introduced (apart perhaps from work commencing on the compilation of a draft list or lists of those who may well eventually qualify under the criteria likely to be adopted as and when substantive law and regulations are introduced). All the suggested interim measures are substantive issues relating to the longer term regulation of those providing patent services.
  
- (ii) Similarly, the control of titles is not something which should be regulated on a temporary or interim basis, particularly in the absence of any underlying legislation defining what those titles are and exactly what they represent.
  
- (iii) Regulating the provision of patent services should be considered together with the law and regulations to be developed for the new OPG system (and proposed amendments to the Short-Term patent system). Consideration of the regulation of patent services should not be left until after implementation of the OPG system but should only be introduced after in-depth consideration and (in particular) close comparative examination of the systems used by Hong Kong's major trading partners. APAA Hong Kong has already conducted much of that comparative study and remains willing and able to cooperate with IPD and others in imparting and discussing that knowledge in whatever way is considered most beneficial.

ASIAN PATENT ATTORNEYS ASSOCIATION

31<sup>st</sup> May 2013