Dear Advisory Committee,

Thank you for the invitation to submit comments regarding the regulation of patent agency services. Please find my views on the subject matter below:

On the outset, as a user of local patent services, including but not limited to the filing of original patents based on subject matter conceived in Hong Kong, the most important consideration that allows us to evaluate the success of regulation is whether such regulation delivers any value. Presently, in the absence of any regulation, there is an information asymmetry that prevents the efficient matching of users with competent service providers. Therefore, there is considerable positive value to be derived from regulation that seeks to provide clarity to users regarding the abilities of professional patent service providers. Accordingly, it is in that context that we should frame our discussion going forward.

With respect to the questions posed by the committee,

a) Possible Interim Measures

i. A public list or register of patent agents is necessary. In order for the title of patent agent/attorney to have any value, it is imperative for a neutral third party to provide oversight. A verifiable public list is one of the few meaningful ways to deter misrepresentation.

ii. Criteria for inclusion should include technical expertise, experience and any relevant training. This information is valuable in allowing users to decide which professional has the requisite skills that best matches with his/her needs. In the absence of any of this information, there is a significant risk that users may solicit the services of a professional that is inefficient at delivering the needed services (i.e., requiring additional study/training/outsourced help). Presently, the cost of this inefficiency is often passed onto the users in the form of higher billable hours and third party outsourcing. Therefore, any regulation should seek to eliminate these inefficiencies by providing such information.

As a special point of note, it is imperative that technical aptitude be evaluated as part of the criteria for inclusion. One of the unique challenges posed by the regulation of the patent industry comes from the appreciation that a practitioner in the field must not only be well versed in legal expertise but should also be a technological savant. From a client perspective, it is not a particularly convincing argument that a practitioner who lacks an appropriate technical background is capable of appreciating the nuances of cutting edge technology, which inventions invariably tend to relate to.

iii. See point i. The list should be maintained by the IPD. The HKIPD is one of the few institutions in Hong Kong that has the credibility to potentially present itself as a trusted source of unbiased/uncompromised information on the profession.

If the purpose of administration is only to act as a deterrent to misrepresentation, a simple online publication/repository should suffice and would likely be the most cost efficient. If existing consumer laws are sufficient to protect consumers from any misuse of the patent agent/attorney designation, then it may not be necessary to set in place any additional laws. A qualified lawyer would likely be able to provide a more thorough opinion on this.

b) Interim measures controlling the use of titles

i. Yes, there should be a standard and the establishment of minimum baselines for inclusion. Otherwise, if anyone with any modicum of experience is allowed to include themselves, the point of the list/register would be meaningless. It would not seem particularly prudent to expect users themselves to decipher information contributed by service providers as this places an unnecessary burden on the system users, who in many instances are not in a position to make an informed judgement call on whether one set of professional experience is comparable to another.

ii. "Patent Attorney" and "Patent Agent" titles should be controlled. In order to avoid confusion, the regulation of titles should attempt to conform as much as practicable to uses in other major international jurisdictions. There is unlikely to be any significant value in doing it in a different way.

iii. Special care should be taken in ensuring that any adopted criteria are not intended to be a barrier to entry into the patent profession. Rather, such criteria should be directed towards ensuring that those who are designated as patent attorneys or agents have the requisite skills for assisting users in an adequate manner. If the consequence of regulation is the artificial restriction of supply, then there is no positive value in regulation for users of the system.

iv. See point iii as a guiding principle.

c) Indigenous system to oversee the use of titles

i. Regarding education programs, there are existing education programs offered by other IP institutions, including WIPO through its educational outreach programs. Given the close relationship of the HKIPD and WIPO, I suspect that they would be more than happy to share their experience/expertise and provide advice and assistance on how to put in place any necessary training programs, which can be tailored to fit the needs of the HK OGP system. I have no particular comment on the conferral of qualifications and examinations.

ii. I think at the end of the day users will vote with their feet and any practitioner that is not up to par will find their cases transferred to a more competent professional. However, in the interest of the public good, it is not unreasonable to suggest that a panel be put into place that reviews any grievances from users, provided of course

that such panel be given the power to remove a practitioner from qualification for the use of titles.

iii. In the interest of preventing abuse, the HKIPD should be entrusted to oversee the profession.

d) Interim measures regarding existing patent agency services

i. No. Grandfathering arrangements are neither necessary nor helpful. The implementation of a regulatory framework should be viewed no differently than an audit of talent. If a service provider lacks the requisite skill to properly provide users with patent services, grandfathering arrangements will not change this and only serve to permit the service provider to continue to provide inefficient services.

Rather, what is needed is sufficient advanced notice prior to implementation of the regulatory regime in order to allow for either the service provider to train/hire competent staff or for clients to transfer out cases to another provider.

ii. See point i on grandfathering arrangements. The entire point of adopting regulation is to clarify the picture of who can provide quality services and who cannot.

iii. No, not at all. Although an individual who is not in a position to qualify may still perform work insofar as a qualified individual oversees and assumes responsibility for the work as though it was their own. Firms lacking any individuals that qualify should not be allowed to market themselves as being capable of providing such services.

It is not necessarily true that users will experience a significant upward adjustment in cost based on additional training or hiring required by the implementation of any regulation. Since there are already existing service providers with significant qualifications in the current marketplace, it is feasible that service providers who attempt to pass additional cost onto the user will be uncompetitive. It is reasonable to expect that firms will bear the majority of the cost of training.

iv. See points i-iii, grandfathering arrangements should not be used. With sufficient advanced notice, those interested in obtaining the necessary qualifications will do so. As a minimum, I would suggest at least a year.

e) Implementation Timetable

i. Yes, a list can be drawn up fairly independent of whether an OGP system is in place. Should it be necessary to update the requirements at a later stage to include HK specific prosecution knowhow, this can be introduced in a modular fashion.

ii. Pursuant to (i), there is no reason why control of titles cannot be introduced before the OGP system, provided of course that there is a mechanism in place to change any requirements that may be necessitated by the introduction of the OGP at a later stage.

    As mentioned previously, care should be taken to ensure that any indigenous system for controlling the use of titles, which is implemented, does not stray significantly far from generally accepted international norms. Given that some firms may wish to respond to new regulation by hiring new staff it is reasonable, with the lack of existing structure, that overseas hires who have already qualified elsewhere may be desired. Therefore, in the interest of attracting the highest calibre of individuals into the local patent scene, it is advisable to streamline any indigenous system to closely match those of existing major international jurisdictions. That is to say that significant deviation, additional lengthy requirements, or lack of recognition of foreign credentials has the potential to reduce the quality of services offered to end users.

iii. I don't see the necessity in linking the regulation of titles with the OGP system. Regulation of titles has the potential to provide positive value that compliments the use of an OGP system, but is capable of providing a public good in and of its own right.

In summary, in proceeding with the finer details of implementation, it would be helpful to bear in mind that the ultimate incarnation of the proposed regulatory framework should provide some value to users of the system and better enable users to make informed business decisions. Furthermore, the system should endeavor not to penalize users by artificially limiting the supply of available talent through any unnecessary burdening of new practitioners attempting to enter the practice.

I hope the above comments are helpful in your discussions.

Best Regards,

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