

Council Meeting in Manila, The Philippines, November 2011

Report of THE HONG KONG GROUP OF APAA

by Tim Hancock

A. CHANGES AND DEVELOPMENT IN LEGISLATION

There have been no particularly significant changes in legislation, but there have been some developments which indicate potential changes in future :-

1. PATENT LAW

I mentioned in my report last year that a written question had been submitted by a Legislative Councilor to the Government about whether consideration was being given to establishing a system of original grant of patents in Hong Kong. I reported that the Government's answer had been "no". However, the issue has been a significant topic of debate ever since. Early this year, the Hong Kong Government announced that it would in fact be reviewing the Hong Kong Patent Law System. As a preliminary step in that review, the Intellectual Property Department (IPD) held a forum to seek views from those with an interest in the patent system in Hong Kong (academics, users, the professions, trade associations etc). That "Forum on the Future Development of the Patent System in Hong Kong" was held on 28 February 2011. Wide ranging views were expressed from a range of different interested parties. Equally wide ranging questions were raised during the question and answer session following the formal presentations and during the various breakout group sessions. Mike Flint kindly presented a paper on behalf of APAA in relation to "Development of Human Capital To Support Patent Related Services". The forum was very well attended.

Not long after the forum was held, IPD issued a discussion paper on 17 May 2011. That paper reviewed the current system in Hong Kong, the apparent calls for changes in that system and the range of topics discussed at the 28 February 2011 forum. A point of particular discussion was whether Hong Kong should introduce its own system of "original grant" of patents or maintain the current system whereby Hong Kong re-registers patents granted elsewhere (Europe, UK and China). The Hong Kong Council of APAA was requested by IPD to give some preliminary views in relation to possible reform. We already had a Patent Review Committee (chaired by Tim Letters). That Committee was established to review the status of the patent profession in Hong Kong and elsewhere. However, it was felt that a report on the future of the profession would be for more useful after it was known whether there were going to be any substantive changes to the underlying Hong Kong Patent Law System. As such, at short notice, the Patent Review Committee's draft report was amended and a preliminary and much reduced report was submitted to IPD in the middle of August 2011, concentrating more on the patent system as opposed to the patent profession. In essence, that report reviewed Hong Kong's current patent law and system and the jurisdictions, qualifications and experience of patent practitioners in Hong Kong. Substantive patent practices in Hong Kong were reviewed and some general comments were made on the possible options available for the future of the Hong Kong system (including maintaining the "status quo"). It also reviewed briefly how the patent profession in Hong Kong

might evolve, depending upon how the underlying patent system might change following the Government Review.

Since then, the Government has issued its Consultation Paper. The Paper was issued on 4 October 2011 and the Consultation Period will end on 31 December 2011. The Hong Kong Council of APAA, the Patent Review Committee and the Patents Committee will all be involved in the consultation process. The Government is seeking views from all interested parties on three basic areas of patent law in Hong Kong :-

- i. Standard Patents – Should Hong Kong move to a system of “original grant” or continue to rely on re-registering patents obtained elsewhere? If opting for a system of “original grant”, how should the task of examination be dealt with? If continuing to rely on patents obtained elsewhere, should the number of countries relied upon be increased?
- ii. Short-Term Patents. The current Short-Term Patents System in Hong Kong is intended to supplement the Standard Patents System by offering protection to inventions with a shorter commercial life. Unlike Standard Patents, a Short-Term Patent Application can be filed direct in Hong Kong. The application must be supported by a search report from an International Searching Authority, but there is no substantive examination prior to grant. The registration can be secured quite quickly if formalities have been complied with, although there is a limit on the number of claims that can be maintained and the length of protection available is limited to ten years. The Government is seeking views on this system generally, but specifically whether there should be a more substantive examination of Short-Term Patent Applications and/or whether the term of protection should be extended and/or whether the number of claims may be increased and/or the patentability criteria may be lowered.
- iii. Regulation of patent agency / patent attorney services. Linked to the above two issues is the question of whether providers of patent agency / attorney services should be regulated and, if so, how they should be regulated.

No doubt, the issue of Patent Law Reform will dominate the work of the Hong Kong Council of APAA, the Patent Committee and the Patent Review Committee between now and the end of this year. Depending upon the recommendations made by the Government following the Consultation Period, the issue is also likely to remain a hot topic of discussion for some considerable time thereafter, probably with a lot of work required from APAA.

If any group from APAA has views they wish to express on this important issue for Hong Kong, please feel free to contact me or any member of the Hong Kong Council. We will ensure that those views are put forward and taken into account.

2. COPYRIGHT (AMENDMENT) BILL 2011

This bill was introduced in the Legislative Council on 15 June 2011 with an aim to strengthening copyright protection in the digital environment. It proposes relatively minor changes in various areas of the Ordinance. One of the key proposals of the Bill is to introduce a statutory “safe harbour” for internet service providers (ISPs) so that their potential liability for copyright infringements occurring on their service platforms might be limited, provided that they meet

certain prescribed conditions. A non-statutory Code of Practice is to be formulated to set out practical guidelines and procedures for ISPs to follow when they are notified of infringing activities. The Government is now seeking views from the public on that Code of Practice and the issues which it should address. A draft Code of Practice has already been published.

3. REVIEW OF THE PERSONAL DATA (PRIVACY) ORDINANCE

Concerns have been expressed following revelations that a number of high profile companies have sold personal data records. This has led to a Government Review. Proposals to strengthen the law in this area are likely to be announced very soon.

B. NOTABLE CASES

I will leave it to individual committees to report specific cases relevant to their areas, but there have generally been very few court decisions this year which have had a significant effect on the Intellectual Property community in Hong Kong. Related to the liability of ISPs referred to above, the case of Oriental Press Group Limited v Fevaworks Solution Limited examined the position where defamatory statements were published online (as opposed to copyright infringement) and in the context of online discussion forums. The statements made were definitely defamatory. The main issue was whether the ISP was a “primary publisher” (who is subject to strict liability, even without knowledge) or a “subordinate distributor” who may claim a defence of “innocence”. The court found the Defendants liable for one instance where they took over eight months to remove a defamatory message but not liable on two other occasions where the messages were deleted within one day of complaint.

C. MATTERS OF INTEREST

Stephen Selby retired as director of IPD at the end of March 2011 having been in the position for almost 20 years. He helped maintain stability in the field of IP during the all important period surrounding transfer of sovereignty of Hong Kong from UK to China in 1997. He was replaced by his long time deputy, Peter Cheung. The Council of the APAA Hong Kong Group have pledged assistance to Peter, with whom we have already worked and cooperated for a number of years. Council and Committee Members of APAA joined with other members of the IP community in Hong Kong to jointly host a dinner of farewell to Stephen and to welcome and congratulate Peter.

Early in his tenure, Peter has launched an initiative which seeks to establish Hong Kong as a hub for trading in intellectual property. More can be learned by visiting www.ipd.gov.hk/eng/ip_trading.htm.

D. REGISTRATION ACTIVITIES

During the calendar year 2010, the following number of applications were received and registrations granted by the Hong Kong Intellectual Property Department :-

	<u>2010</u>	
	<u>Applications</u>	<u>Registrations</u>
Trade Marks	28,872	23,043
Standard Patents	11,702	5,353
Short Term Patents	614	522

Registered Designs	4,245	3,896
--------------------	-------	-------

Tim Hancock
President, Hong Kong Group of APAA
11 October 2011