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IP UPDATE



Anna Mae Koo PARTNER

MA (Law) (Hons), University of Cambridge (Prince Philip Scholar)

- Asialaw Rising Star Lawyer in Intellectual Property 2018
- Techstars Mentor 2015
- IP Rising Star (Euromoney Women in Business Law Awards) 2013
- Litigation Committee Member, International Bar Association
- Anti-Counterfeiting Committee (2018), Internet Committee (2014-2016), INTA



Fandy Ip ASSOCIATE

BSSc, Chinese University of Hong Kong
JD, University of Hong Kong

Opening the Door for Original Granted Patent ("OGP") in Hong Kong

As of now, Hong Kong does not have its own system for conducting substantial examination on patent applications. Applicants have to secure patent grant at one of the three designated patent offices, namely, the State Intellectual Property Office of People's Republic of China ("SIPO"), the European Patent Office ("EPO") or the United Kingdom Patent Office ("UKIPO"), in order to have their patent protected in Hong Kong. Since the examiners will not examine on the novelty or the patentability of a patent application, the registration system in Hong Kong for now is more like a "re-registration" system as the job of the Hong Kong patent office is only to conduct formality exams and to re-register foreign approved patents. As part of an effort to develop Hong Kong into a regional innovation and technology hub, by the end of 2018, Hong Kong will be introducing the new procedures for application of original granted patent in Hong Kong.

The Patent (Amendment) Ordinance was passed by the Hong Kong Legislative Council in 2016 and will finally take effect in 2018. According to the new Ordinance, a new system for standard patent will run in parallel with the existing registration system in Hong Kong. The new system will allow inventors to file applications for standard patents (which will be valid for a maximum of 20 years) directly in Hong Kong independent of the three designated patent office.

On the other hand, substantive examination will also be available for applications for short-term patent (with a maximum valid period of 8 years). Proprietor of a short-term patent and third party may request the Registrar to conduct a post-grant substantive examination and will issue a certificate of substantive examination confirming the validity

of the patent. A request for substantive examination or a certificate of substantive examination will become a prerequisite for proprietor to commence enforcement proceedings in Hong Kong courts against others based on the short-term patent.

DEVELOPING HONG KONG PATENTABILITY PRINCIPLES

We expect that the patentability principles in Hong Kong will likely to mirror those currently adopted by SIPO. Hong Kong currently has yet to have the required personnel with the experience and technical expertise to conduct the substantive examinations on patent applications on our own. Initially, the substantive examinations will be outsourced to SIPO. Hong Kong examiners will also be sent to SIPO offices

for training. Characteristics of the Chinese patentability guidelines will likely be inherited by Hong Kong examiners. That said, the Hong Kong Intellectual Property Department emphasized that Hong Kong is still under the "One-country and Two-system" administrative model, meaning that Hong Kong's patentability principles will not be exactly identical to SIPO's. Hong Kong's legal system is still a commonwealth jurisdiction where existing local, UK and Australian case laws will still be considered by the Hong Kong courts when deciding on Hong Kong's own standard of patentability.

ADVANTAGES OF HONG KONG'S NEW OGP SYSTEM

Although the existing "re-registration" system has been operating smoothly throughout the years by giving applicants cross-jurisdictional protection upon securing a patent grant in one of the three foreign designated offices, the problem of the current system is that, getting a patent grant from either one of the three designated offices is a time-consuming and costly process. With the high speed of technological advancements these days, the delay in getting a patent grant (it usually takes 5 years for getting a patent grant by one of the designated offices and completing the formalities for re-registration of the same at the Hong Kong patent office) may render the application itself pointless as the innovation has already become outdated in the market upon the patent grant.

Having an OGP system in Hong Kong is a cost-effective and time-saving option for applicants who would like to focus on putting the innovation available in the Hong Kong market

(e.g. Hong Kong SMEs). For other investors or inventors who would like to put forward their inventions in both Hong Kong and other foreign markets, they may also have a choice to file a patent application in Hong Kong and other foreign patent office(s) simultaneously. As we can anticipate that Hong Kong's patent office will only have to deal with a fraction of the volume of applications that SIPO is handling right now (to put things in context, the number of annual applications for invention patent filed at SIPO in 2017 exceeded 1 million), it is hoped that an original patent will be granted by Hong Kong (given that the application does fulfil the patentability requirements) in a more efficient matter than other foreign jurisdictions.

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We are excited to know more about the patentability guidelines that Hong Kong will adopt and how can Hong Kong develop its own characteristics and strengths in attracting investors and inventors to apply for an OGP in Hong Kong.

In order to fully develop Hong Kong's patent system, it is also important that the locally granted patent will not be limited by jurisdiction. The Hong Kong Intellectual Property Department is working on the development of the "Patent Prosecution Highway" to seek recognition of the Hong Kong's OGP in other jurisdictions in order to increase the incentive for bigger businesses to apply for OGP in Hong Kong. We will continue to keep an eye on this area and will share with you the latest developments with you.