For commercial reasons, many companies around the world in the recent decades have engaged factories in mainland China to manufacture their products. At the same time, it is also widely recognised that working with factories in mainland China comes with a certain degree of risk that their products may be counterfeited or sold to third parties without authority. As such, companies nowadays are generally well aware of the importance of securing patent rights in mainland China. However, companies often neglect securing their rights in Hong Kong, which, for reasons stated in this article, shall always be considered.

I. HONG KONG PATENT SYSTEM

Hong Kong is a separate jurisdiction from mainland China and patent rights registered in mainland China do not automatically extend protection to Hong Kong. In order to secure patent protection of your inventions in Hong Kong, a separate application must be filed in Hong Kong.

1. Parallel Application System

Traditionally, to apply for patent protection in Hong Kong, the applicant must first file a patent application in one of the three designated patent offices, namely, the China National Intellectual Property Administration (“CNIPA”), the European Patent Office, in respect of a patent designating the United Kingdom, and the United Kingdom Patent Office. Under this “re-registration” route, applicants shall first file a request to record the application in Hong Kong within 6 months from the date of publication of the designated patent with Hong Kong Patent Registry, then further file a request for registration and grant within 6 months from the date of grant of the designated patent.

In 2019, a new original grant patent (“OGP”) application system is introduced, where the Hong Kong Patent Registry will conduct substantive examination instead of merely “re-registering” a designated patent. The OGP system and the “re-registration” system are to run in parallel.
2. OGP or Re-Registration

As the OGP system is still at its infancy, the Hong Kong Patents Registry may not have their own panel of examiners for all types of inventions. Under the current arrangement, the examination work may be outsourced to CNIPA examiners. Given the difference between the patent law in Hong Kong and in mainland China, CNIPA examiners will mainly provide technical opinions relating to novelty and inventive step of the applied for invention, and the examiners in the Hong Kong Patent Registry will consider such opinions in the substantive examination process and issue office actions.

While this may be an interim measure to allow time for the Patent Registry to recruit and train examiners with technical expertise in different areas, it seems to give rise to a number of possible problems, such as prolonged examination time due to collaboration between Hong Kong and CNIPA examiners, conflicts between examination standards. Hong Kong patent applications may be filed in English while CNIPA examiners are used to examining patent applications in Chinese, etc. Further, despite the difference in law, the examination standards relating to the technical aspects and the number of objections issued will likely be similar between an application with the CNIPA and an OGP application filed in Hong Kong. This would mean that the costs involved in the prosecution of the patent application will be also similar.

Instead of directly applying for patent registration via the OGP system, it may be advisable for businesses to consider pursuing patent protection in Hong Kong under the traditional “re-registration” route by first filing an application for their patent in mainland China. Since OGP applications in Hong Kong will be substantively examined by examiners from the CNIPA, businesses may as well directly file an application in mainland China with the CNIPA then re-register such application in Hong Kong. Additionally, as the Hong Kong Patent Registry will not substantively examine applications made under the “re-registration” route, the costs involved would be limited to attending to the formalities and thus would be less. In fact, only in very limited situations would businesses seek patent protection only in Hong Kong but not in mainland China. Even most local Hong Kong businesses would eventually seek to explore the Chinese market and possibly also engage Chinese factories for the manufacturing of their products.

II. ADVANTAGES OF PATENTING IN HONG KONG

The low costs and simplicity in re-registering patents in Hong Kong are not the only reason for companies to seek patent protection in Hong Kong. There are also many practical reasons for companies to vigorously pursue patent protection in Hong Kong.

1. Hong Kong as a Trading Hub

While the Hong Kong domestic market may not seem to be as sizeable as other major jurisdictions, Hong Kong is nonetheless a leading international trading hub. Hong Kong regularly hosts many international trade shows and also serves as a logistical hub for international trading. These trade shows or exhibitions are often great opportunities for trading companies to exhibit their new products or inventions. If businesses have registered patent rights in Hong Kong, they may conveniently enforce those rights against any international traders who exhibits infringing products and disrupt their ability to market such infringing products in these trade shows.

Further, the port of Hong Kong is one of the largest ports in the world, particularly in Asia and the Greater China region. For various logistical and commercial reasons, Chinese manufacturers may export goods through the port of Hong Kong. Under the patent laws in Hong Kong, importing and exporting infringing goods in and out of Hong Kong constitute patent infringement. Securing patent rights in Hong Kong therefore allows patent holders to take actions against any infringing goods that may be imported into Hong Kong.

2. Infringers in Hong Kong

Given the size and nature of the Hong Kong market, domestic patent infringers are not very prevalent in Hong Kong. However, there has been a growing number of “professional” infringers, from mainland China or elsewhere, electing to incorporate a Hong Kong company to conduct their infringing activities and handle the relevant transactions, due to the low costs and the
relatively simple company incorporation process in Hong Kong. To tackle the infringement activities conducted by these companies, it would be easier for patent right holders to rely on their patent rights in Hong Kong to take action.

In short, it is advisable for companies, particularly those already intending to secure patent rights in mainland China, to also extend the patent protection in Hong Kong, particularly because the relevant official fees and costs involved in re-registering their patent in Hong Kong is significantly less than any other jurisdiction that conducts substantive examination. As infringers in mainland China are becoming more sophisticated, patent right holders should maximise the scope of protection and enforceability of their patent rights, and one of the most cost-effective ways all applicants should consider is to re-register their patent in Hong Kong.

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