



**APEC Symposium On Paperless Trading Capacity
Building And Intellectual Property Protection
People's Republic of China
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**Paper
Overview of IP Protection and Importance of IP
Protection in Trade Facilitation**

Overview of IP Protection and Importance of IP Protection in Trade Facilitation

APEC Symposium on Paperless Trading Capacity Building and IPRs protection

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Why is IP Protection Important?(Cont'd)

- Strong IP protection reduces investment risk and enhances investor confidence
- Develop locally-based research and development as well as creative industries is conducive to economic growth and development

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Outline

- Why is IP Protection Important?
- IP Protection System
- IP Protection & Trade Facilitation : Initiatives
 - Timeliness of IPR Registration
 - E-business Model
 - Pilot Scheme for Opening Up IP in New Government IP Systems
 - Patent Application Grant Scheme
 - Intellectual Asset Management

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IP Protection System

One Country Two IP Systems

- Hong Kong, China has its own IP system that are separate from the one in Mainland China
- Rights that need registration (e.g. trademarks, patents and designs) have to be registered separately in Hong Kong, China and in Mainland China before they can be protected effectively in both places

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Why is IP Protection Important?

- Hong Kong, China is an international trading centre

Total trade of HKC in 2006: HK\$5,060,831 million (US\$648,825 million)
(APEC: 83.9%)

Region	Percentage
Mainland China	46.4%
Others	23.6%
USA	9.8%
Japan	7.7%
Chinese Taipei	4.9%
Singapore	4.2%
Korea	3.4%

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IP Protection System (Cont'd)

International Standards

Meets the standards set out in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)
etc

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IP Protection System (Cont'd)

Organizational Structure:

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    graph TD
      CE[Chief Executive] --> CEDB[Commerce and Economic Development Bureau]
      CEDB --> IPD[Intellectual Property Department]
      CEDB --> HKC[Hong Kong Customs]
  
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IP Protection System (Cont'd)

Function of IPD

1. Policy and Law
2. Registration
3. Provide civil legal advice on IP matters to the Government
4. Promotion and Public education

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IP Protection System (Cont'd)

Commerce and Economic Development Bureau is responsible for:

- policy matters on Hong Kong, China's external commercial relations, inward investment promotion, **IP protection**, industry and business support, tourism

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IP Protection System (Cont'd)

IPRs Protected in Hong Kong, China

	Trade marks	Patents	Registered Designs	Copyright
Type of subject matter normally protected	trade or service names and logos	invention	industrial product designs, fabric designs	literature, drama, music, photographs, computer software, films, phonograms broadcasts, cable diffusion
Whether registration is required for effective protection in Hong Kong, China	Yes	Yes	Yes	No
Enforcement available in Hong Kong, China	Civil, Criminal	Civil	Civil	Civil, Criminal

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IP Protection System (Cont'd)

Mission of IPD

- Protect IP rights to highest international standards
- Provide high-quality and responsive registration
- Promote awareness of and respect for IP rights

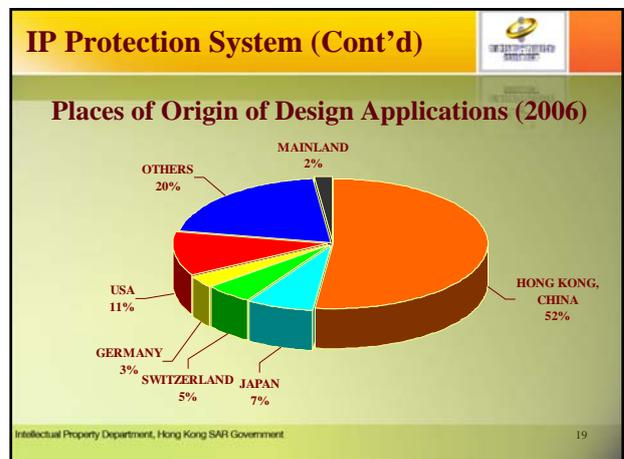
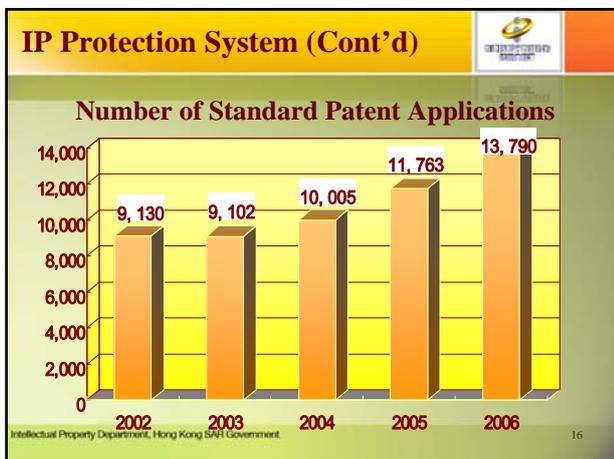
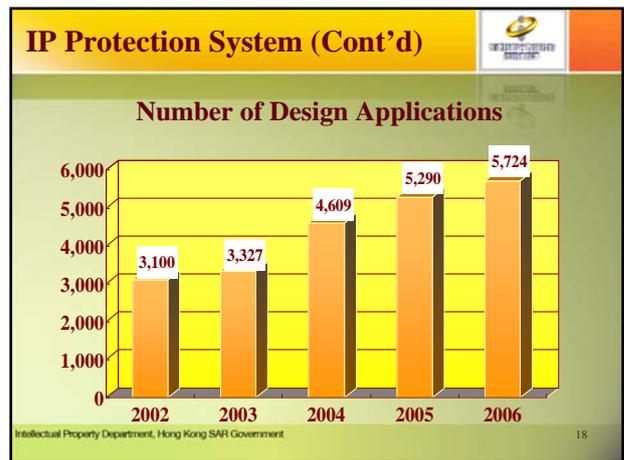
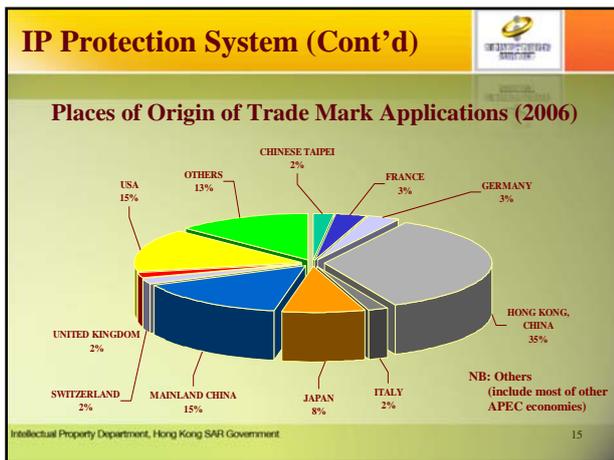
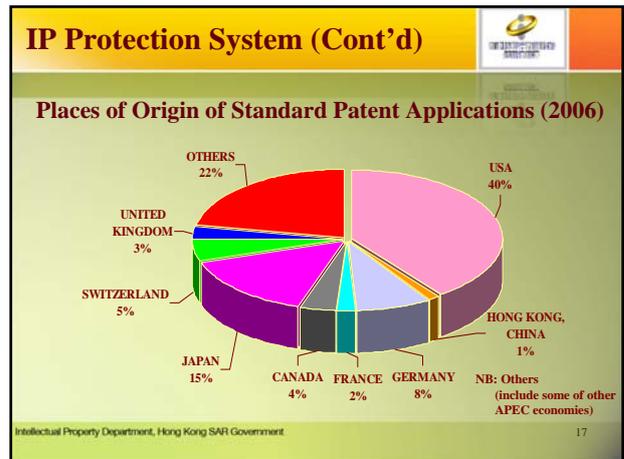
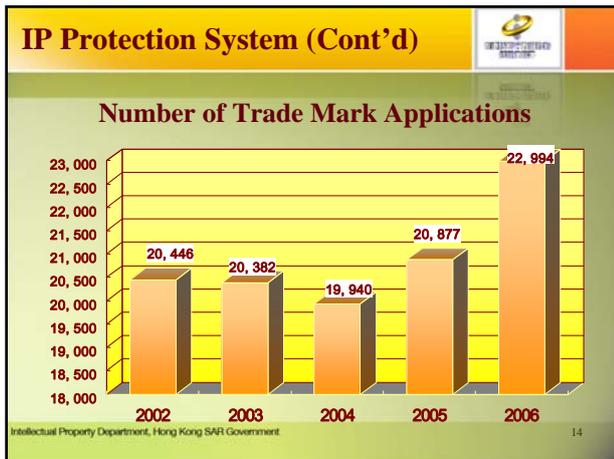
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IP Protection System (Cont'd)

IPRs Protected in Hong Kong, China

	Trade Secrets	Geographical Indications	Layout Design (Topography) of Integrated Circuits	Plant Varieties protection
Type of subject matter normally protected	proprietary information	sign used on goods	layout-design	botanical and species of genera, vascular plant, edible fungi and algae, varieties of all types of plants
Whether registration is required for effective protection in Hong Kong, China	No	Yes	No	Yes
Enforcement available in Hong Kong, China	Civil	Civil, Criminal	Civil	Civil

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IP Protection & Trade Facilitation: Initiatives

Timeliness of IPR Registration

Trade Marks:	6 months
Standard Patents:	6 months
Short-term Patents:	3 months
Registered Designs:	2 months

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IP Protection & Trade Facilitation: Initiatives (Cont'd)

E-business Model

Way to Provide E-business Services

- Private-public partnership through outsourcing
- Contract Value:
 - HK\$54 million (US\$6.9 million) for 5 years awarded in 2001 (Contract variation in 2005 to provide interactive service at a cost of HK\$8.8 million (US\$1.1 million))
 - HK\$79 million (US\$10 million) for 5 years awarded in 2006
- Benefits of outsourcing:
 - leverage IT knowledge / skills/personnel from private sector
 - reduce costs

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IP Protection & Trade Facilitation: Initiatives (Cont'd)

E-business Model

Timetable

- Online search of trademarks records, patents and designs records (since January 2003 & May 2004 respectively) (<http://ipsearch.ipd.gov.hk/index.html>)
- Online Publication (Hong Kong Intellectual Property Journal (since April 2003) (http://ipd.gov.hk/eng/ip_journal.htm)
- Online filing & online payment (since December 2003) (<http://iponline.ipd.gov.hk>)
- Interactive services (since November 2005)

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IP Protection & Trade Facilitation: Initiatives (Cont'd)

E-business Model

Outcome (1)

- Online search
 - over 27,000 visitors per month (as at June 2007)
- E-filing (as at June 2007)
 - 94 e-filers
 - Over 106,754 e-transactions
 - Reached over 57% migration rate for trademark application

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IP Protection & Trade Facilitation: Initiatives (Cont'd)

E-business Model

IT System design:

- Web-enabled
- End-to-end, i.e. electronic processing from filing to receiving reply from IPD
- No double-handling of data input : direct transmission of data from applicants/agents to IPD's IT system
- Do it once, do it right

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IP Protection & Trade Facilitation: Initiatives (Cont'd)

E-business Model

Outcome (2)

- Example of BPR : reduction of trademark forms from 47 to 14
- Improved customer services : in terms of speed, convenience and accuracy
- Creating trust between IPD & external users
- Facilitate IP owners to protect their rights anywhere via Internet
- Reduction of fees & staff, & savings

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IP Protection & Trade
Facilitation: Initiatives (Cont'd)

Pilot Scheme for Opening Up IP in New Government IT Systems

- Pilot scheme (3-year from March 2006)
 - IPR ownership will be vested in the Contractor (Exception: public interest, legal or regulatory reasons)
 - Government obtains a perpetual and royalty-free licence to use, modify and replicate the IT systems
- Guidelines and sample terms and conditions for use in contracts
 - <http://itginfo.ccg.hksarg/content/openupip/guidelines.asp>

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IP Protection & Trade
Facilitation: Initiatives (Cont'd)

Patent Application Grant Scheme(3)

- Total no of applications received:1508 (sustained demand)
- Total no of approved applications: 617 (40% of applications)
- 232 patents successfully obtained out of 546 approved applications, 154 successful commercialization (March 2006)

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IP Protection & Trade
Facilitation: Initiatives (Cont'd)

Patent Application Grant Scheme(1)

- Objective: Encouraging local inventors to capitalise their IPRs thro' patent registration (local and outside Hong Kong, China)
- Operation mode:
 - Confidential basis
 - patents search-cum-technical assessment (reasonable chance)
 - compilation of documents
 - representation

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IP Protection & Trade
Facilitation: Initiatives (Cont'd)

Intellectual Asset Management

- Intellectual Asset Management ≠ IP Management
- Management of the whole creative process in an organization
- Includes knowledge management, human resource management relating to creativity, preservation of commercially sensitive confidential information, information technology and IP issues
- Preventive aspect of IP protection

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IP Protection & Trade
Facilitation: Initiatives (Cont'd)

Patent Application Grant Scheme(2)

- Started since 1998
- First-time applications for patents
- Approved funding (up to April 07): US\$7.3 million
- Used funding (up to March 07): US\$5.5 million (75% of approved funding)
- Each approved grant: not more than US\$12,820 or 90% of total patent application cost (whichever is the lower)

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IP Protection & Trade
Facilitation: Initiatives (Cont'd)

- 21-22 Nov 2006: Regional Intellectual Asset Managers Seminar in Hong Kong, China
 - Organizers: IPD & others
 - Speakers: from Germany, Singapore, USA, Mainland China & Hong Kong, China
 - Participants: local & overseas

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Thank you !

<http://www.ipd.gov.hk>