

## Head 78 — INTELLECTUAL PROPERTY DEPARTMENT

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**Controlling officer:** the Director of Intellectual Property will account for expenditure under this Head.

**Estimate 2023–24** ..... **\$254.8m**

**Establishment ceiling 2023–24** (notional annual mid-point salary value) representing an estimated 183 non-directorate posts as at 31 March 2023 rising by one post to 184 posts as at 31 March 2024 ... **\$139.2m**

In addition, there will be an estimated ten directorate posts as at 31 March 2023 and as at 31 March 2024.

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### Controlling Officer's Report

#### Programmes

**Programme (1) Statutory Functions**  
**Programme (2) Protection of Intellectual Property**

These programmes contribute to Policy Area 6: Commerce and Industry (Secretary for Commerce and Economic Development).

#### Detail

##### Programme (1): Statutory Functions

	2021–22 (Actual)	2022–23 (Original)	2022–23 (Revised)	<b>2023–24 (Estimate)</b>
Financial provision (\$m)	155.9	166.5	157.8 (–5.2%)	<b>184.3</b> (+16.8%)
				(or +10.7% on 2022–23 Original)

#### *Aim*

**2** The aim is to provide cost-effective and efficient systems for the registration and management of trademarks, patents, designs and copyright licensing bodies in Hong Kong.

#### *Brief Description*

**3** The statutory functions of the Department involve:

- examining trademark applications, conducting registrability and opposition, invalidation and revocation hearings, maintaining the register of trademarks and making it available for public search;
- examining patent applications, granting standard patents after substantive examination, granting short-term patents followed by substantive examination if required, registering patents granted by the three designated patent offices, maintaining the register of patents and making it available for public search;
- examining design applications, maintaining the register of designs and making it available for public search; and
- examining applications for registration of copyright licensing bodies, maintaining the register of copyright licensing bodies and making it available for public search.

**4** The registers of trademarks, patents and designs are all maintained in electronic format. The Department has been providing electronic searching, filing, payment and publication services in respect of registration of trademarks, patents and designs since 2003. Owners of registered rights or their agents can directly make changes to particulars of owners and agents of trademarks, patents and designs; apply for renewal of trademarks, patents and designs; register assignments and assents for registered trademarks and trademark applications; and register assignments for granted patents and patent applications as well as registered designs and design applications. These changes are updated on the Registries' records instantly. The electronic services have been well received, and were redeveloped into a New Integrated IT System in February 2019. In 2022, the proportions of electronic filings for trademark, patent and design applications were 84 per cent, 98 per cent and 87 per cent respectively.

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5 The key performance measures in respect of statutory functions are:

### *Targets*

	Target	2021 (Actual)	2022 (Actual)	2023 (Plan)
<i>For trademarks under the Trade Marks Ordinance (Cap. 559)</i>				
issuing first letter				
for trademark applications				
during deficiencies checking stage				
within three months (%)‡ .....	90 <sup>^</sup>	98	99	<b>92</b>
providing first response for trademark applications within two months (%)φ.....	97	99	99	<b>97</b>
providing second response				
for trademark applications				
within three months (%)Ω .....	80	84	82	<b>82</b>
delivering hearing decisions on trademarks within six months (%).....	97	100	100	<b>97</b>
<i>For patents under the Patents Ordinance (Cap. 514)</i>				
processing standard (re-registration) patent applications concerning minimum requirements within ten days (%)§ .....	95	99	99	<b>97</b>
processing standard (original grant) patent applications concerning minimum requirements within ten days (%)§ .....	90 <sup>ε</sup>	96	97	<b>92</b>
processing short-term patent applications concerning minimum requirements within ten days (%)§ .....	90 <sup>η</sup>	97	98	<b>92</b>
processing standard (re-registration) patent applications concerning formal requirements within four months (%)Ψ .....	90 <sup>η</sup>	97	99	<b>92</b>
processing short-term patent applications concerning formal requirements within three months (%)Ψ .....	90 <sup>^</sup>	96	99	<b>92</b>
<i>For designs under the Registered Designs Ordinance (Cap. 522)</i>				
processing design applications concerning minimum requirements within ten days (%)§ .....	99	100	99	<b>99</b>
processing design applications concerning formal requirements within four months (%)@ .....	90 <sup>η</sup>	97	99	<b>92</b>

‡ Calculated from the date of payment of the prescribed fee.

<sup>^</sup> Target raised from 85 per cent to 90 per cent as from 2023.

φ Calculated from the date of the Trade Marks Registry's notice confirming receipt of all the required information for substantive examination.

Ω Calculated from the date of expiry of first opinion or from the date of applicant's reply to first opinion.

§ Calculated from the date of application to the date of issue of the first notice.

ε Target raised from 86 per cent to 90 per cent as from 2023.

η Target raised from 88 per cent to 90 per cent as from 2023.

Ψ Calculated from the date of the Patents Registry's notice confirming that the minimum requirements are satisfied.

@ Calculated from the date of the Designs Registry's notice confirming that the minimum requirements are satisfied.

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### Indicators

	2021 (Actual)	2022 (Actual)	2023 (Estimate)
<i>For trademarks under the Trade Marks Ordinance</i>			
applications received.....	35 240	29 432	32 400
applications successfully registered.....	32 719	30 630	31 500
first response issued for trademark applications.....	35 311	30 665	31 000
second response issued for trademark applications.....	5 187	5 090	5 100
hearing decisions issued.....	257	93	105
<i>For patents under the Patents Ordinance</i>			
applications for standard (re-registration) patents received.....	21 686	20 031	19 900
applications for standard (original grant) patents received.....	257	133	190
applications for short-term patents received.....	552	579	600
standard (re-registration) patents granted.....	14 655	11 573	10 800
short-term patents granted.....	684	535	510
<i>For designs under the Registered Designs Ordinance</i>			
applications received.....	1 882	1 672	1 760
designs registered.....	4 206	3 319	3 370
<i>For copyright licensing bodies under the Copyright Ordinance (Cap. 528)</i>			
applications received.....	0	1	0
applications successfully registered.....	0	1	0
applications for renewal of registration.....	6	6	6

### Matters Requiring Special Attention in 2023–24

6 During 2023–24, the Department will continue to meet the challenges associated with processing a voluminous intake of patent filings, developing the capacity of the original grant patent system, and enhancing the operation of the registries of patents, trademarks and designs.

### Programme (2): Protection of Intellectual Property

	2021–22 (Actual)	2022–23 (Original)	2022–23 (Revised)	2023–24 (Estimate)
Financial provision (\$m)	56.9	66.1	65.1 (–1.5%)	70.5 (+8.3%)
				(or +6.7% on 2022–23 Original)

### Aim

7 The aims are to promote awareness of intellectual property (IP) rights, to enhance the local IP protection regime and the reputation of Hong Kong in the protection of IP rights in order to attract investment and encourage innovation, to protect existing and new types of IP rights in line with international trends and standards, and to facilitate and promote the development of IP trading in Hong Kong. Particular attention is paid to providing support for small and medium enterprises (SMEs) to help them identify, protect, manage, exploit and commercialise their IP assets in Hong Kong and in the region, with the focus on promoting IP literacy, active prevention of IP rights infringement and capacity building.

### Brief Description

8 This programme area involves:

- advising the Secretary for Commerce and Economic Development (SCED) on policies and legislation to strengthen protection of IP rights in Hong Kong;
- providing civil legal advice on IP matters to government bureaux and departments;
- advising SCED on relevant developments at the World Intellectual Property Organization, World Trade Organization (WTO) and Asia-Pacific Economic Cooperation (APEC);
- participating in consultations, negotiations and committees of experts leading to new or revised international IP rights standards; attending and participating in international seminars, conferences, meetings, etc. on IP rights matters;

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- promoting IP services provided by Hong Kong professionals, facilitating the understanding of IP laws and systems in the Mainland by Hong Kong enterprises operating in the region;
- promoting the development of Hong Kong as a regional IP trading centre, and assisting SCED to implement support measures; and
- strengthening co-operation with counterparts in the Guangdong Province, the Guangdong-Hong Kong-Macao Greater Bay Area, the Pan-Pearl River Delta region on IP and related developments.

9 The Department has continued its territory-wide campaigns such as the “No Fakes Pledge” Scheme and “I Pledge” Campaign to encourage pride in the selling and buying of genuine goods among Hong Kong retailers, tourists and local consumers. For the “No Fakes Pledge” Scheme, 11 trade associations with 1 732 retail merchants covering 7 085 outlets/online shops in Hong Kong participated as at the end of 2022. For the “I Pledge” Campaign, the Department has collaborated with the right-holders and youth organisations to organise and sponsor various events to promote creativity and awareness of IP rights, such as the “Respect Copyright” Campaign.

10 The Department has continued to implement various initiatives to promote awareness of and respect for IP rights in the younger generation, despite the pandemic situation and the suspension or partial suspension of physical or face-to-face classes and extra-curricular activities in schools in early 2022. During the year, the school visit programme covered 40 schools and 9 110 students, the interactive drama programme covered 70 schools and 20 047 students, and talks were held in three tertiary institutions.

11 SMEs have remained one of the prime targets of the Department’s promotion and education efforts. Through seminars, workshops and exhibitions organised by the Department or in collaboration with others, the Department has helped SMEs understand the importance of protecting their IP rights and raise awareness of innovation and IP management among them. These activities also support SMEs to explore potential IP solutions to further develop and expand their business, such as the types of IP that may be available for sale or exploitation in their target markets.

12 To promote IP trading, the Department has continued to work with the public sector, professional bodies, industry players and other stakeholders to implement measures under four strategic areas, namely enhancing the IP protection regime; supporting IP creation and exploitation; fostering IP intermediary services and manpower capacity; and pursuing promotion, education and external collaboration efforts. With a view to further strengthening SMEs’ manpower capacity in IP management and commercialisation, the Department continued to enrich the IP Manager Scheme PLUS training programme with enhanced breadth and depth in the content. The Department also forged ahead with the IP Consultation Service and various promotion and public education efforts such as production of videos showcasing success stories and sponsoring of training courses and workshops on IP related subjects.

13 To foster regional collaboration with the economies of the Association of Southeast Asian Nations (ASEAN) in promoting IP commercialisation, the Department co-organised with the ASEAN Working Group on IP Cooperation an online workshop on IP commercialisation in a knowledge-based economy in December 2022, which attracted over 500 accumulated live views.

14 On the copyright regime, the Government introduced the Copyright (Amendment) Bill 2022 into the Legislative Council (LegCo) in June 2022 and secured passage of the Bill in December 2022 to update Hong Kong’s copyright regime to strengthen copyright protection in the digital environment. The Department has kick-started the necessary preparatory tasks with a view to bringing the Copyright (Amendment) Ordinance 2022 into operation in 2023.

15 On the trademark regime, the Department has continued to take forward preparatory work for the implementation of the international trade mark registration system under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol) in Hong Kong, including preparing the related subsidiary legislation and completing the set-up of the required information technology system.

16 On the patent front, the Department collaborated with the China National Intellectual Property Administration and the IP authorities of Guangdong Province and Shenzhen leading to the launch of a pilot project in January 2023 for prioritised examination of qualified invention patent applications filed by Hong Kong applicants in the Mainland.

17 The key performance measures in respect of IP protection are:

### *Indicators*

	2021 (Actual)	2022 (Actual)	2023 (Estimate)
engagements with stakeholders.....	120	134	<b>134</b>
speeches and presentations.....	55	57	<b>57</b>
engagements with the media .....	14	18	<b>18</b>
school visits <sup>□</sup> .....	36	40	<b>40</b>

□ Including school visits in physical and online modes.

### *Matters Requiring Special Attention in 2023–24*

18 During 2023–24, the Department will:

- continue to provide policy, legal and technical advice to the Commerce and Economic Development Bureau on enhancing Hong Kong’s IP regime to ensure that it will meet the actual needs of Hong Kong and keep pace with international developments;
- bring the Copyright (Amendment) Ordinance 2022 into operation and thereafter embark on a new round of review of other copyright issues which have not been addressed in the previous legislative exercise;
- continue to keep in view the filings under the new patent system notably the caseload and the filing trends to ensure its smooth operation;
- continue to further develop and promote the original grant patent system such as seeking ways of enhancing its user-friendliness and attractiveness, and also enhancing the substantive examination capacity of the Patents Registry;
- support the implementation of the pilot project for prioritised examination of qualified invention patent applications filed by Hong Kong applicants in the Mainland;
- complete the remaining preparatory work with a view to implementing the international trade mark registration system under the Madrid Protocol in Hong Kong as soon as possible, including –
  - tabling the related subsidiary legislation in LegCo to provide for new procedures in handling applications filed under the international registration system and refine the procedures under the Trade Marks Rules (Cap. 559A);
  - preparing for the roll-out of the required information technology system for operating the international registration system;
  - finalising the Trade Marks Registry’s workflow and work manual for processing applications;
  - arranging manpower training for processing applications filed under the international registration system; and
  - launching publicity to promote the international registration system to key stakeholders;
- explore with the Mainland authorities on extending relevant international IP treaties to Hong Kong and implementing facilitation measures for cross-boundary IP protection;
- make the necessary preparation with a view to launching a review of the 25-year old registered designs regime in 2024;
- continue to work with stakeholders to implement a series of initiatives to develop and promote Hong Kong as a regional IP trading centre under the National 14th Five-Year Plan;
- continue to work with stakeholders and the Hong Kong Trade Development Council to promote Hong Kong’s competitive advantages in IP trading and IP professional services to the Mainland and overseas enterprises through trade missions, seminars, publicity programmes and the annual Business of IP Asia Forum;
- continue to support the business community in strengthening their IP protection, management and commercialisation in the Mainland (including the Guangdong-Hong Kong-Macao Greater Bay Area) through the Guangdong/Hong Kong Expert Group on the Protection of IP Rights;
- continue to organise promotion and education activities, in particular for SMEs, with emphasis on IP protection, management and commercialisation;
- continue to disseminate information through the Internet on the IP systems in the Mainland, Hong Kong and Macao;
- continue the outreach effort to young people on IP protection and encourage them to actively explore and innovate through school visits and promotion activities;
- continue collaboration with stakeholders to strengthen and publicise the “No Fakes Pledge” Scheme and “I Pledge” Campaign to promote the selling and buying of genuine products; and
- continue to play a proactive role in the APEC and the Trade-Related Aspects of IP Rights Council of the WTO, and, through such institutions, provide appropriate technical assistance to developing and least-developed economies overseas.

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### ANALYSIS OF FINANCIAL PROVISION

	2021–22 (Actual) (\$m)	2022–23 (Original) (\$m)	2022–23 (Revised) (\$m)	2023–24 (Estimate) (\$m)
<b>Programme</b>				
(1) Statutory Functions .....	155.9	166.5	157.8	<b>184.3</b>
(2) Protection of Intellectual Property .....	56.9	66.1	65.1	<b>70.5</b>
	212.8	232.6	222.9 (–4.2%)	<b>254.8</b> <b>(+14.3%)</b>
				<b>(or +9.5% on 2022–23 Original)</b>

#### Analysis of Financial and Staffing Provision

##### Programme (1)

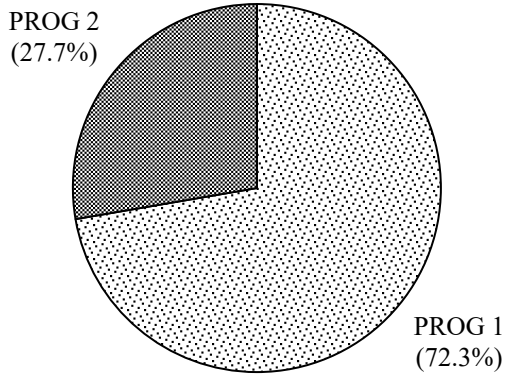
Provision for 2023–24 is \$26.5 million (16.8%) higher than the revised estimate for 2022–23. This is mainly due to the increased requirements in general departmental expenses for enhancing the capacity of the Department to follow through the patent reform.

##### Programme (2)

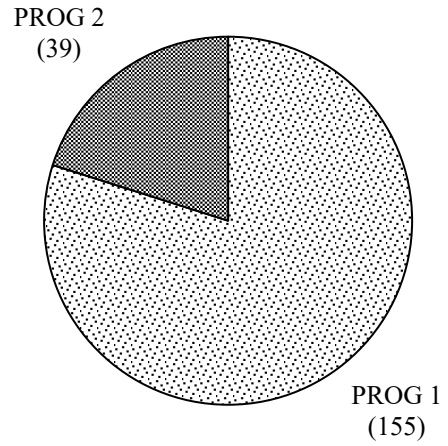
Provision for 2023–24 is \$5.4 million (8.3%) higher than the revised estimate for 2022–23. This is mainly due to the increased requirements in general departmental expenses, salaries and personnel related expenses for enhancing the capacity of the Department to underpin Hong Kong as a regional intellectual property trading centre.

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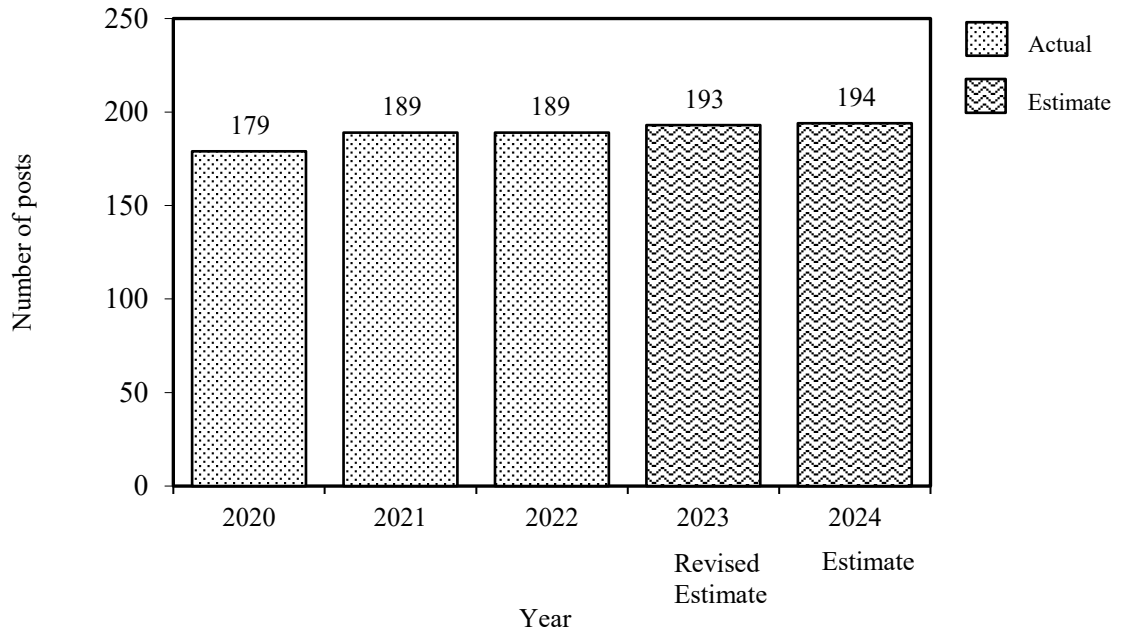
*Allocation of provision  
to programmes  
(2023-24)*



*Staff by programme  
(as at 31 March 2024)*



*Changes in the size of the establishment  
(as at 31 March)*



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Sub-head (Code)	Actual expenditure 2021-22	Approved estimate 2022-23	Revised estimate 2022-23	<b>Estimate 2023-24</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	212,435	232,593	222,863	<b>254,837</b>
	Total, Recurrent.....	212,435	232,593	222,863	<b>254,837</b>
	Total, Operating Account .....	212,435	232,593	222,863	<b>254,837</b>
<hr/>					
<b>Capital Account</b>					
Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote).....	318	—	—	—
	Total, Plant, Equipment and Works.....	318	—	—	—
	Total, Capital Account.....	318	—	—	—
<hr/>					
	Total Expenditure .....	212,753	232,593	222,863	<b>254,837</b>
		<u>212,753</u>	<u>232,593</u>	<u>222,863</u>	<u><b>254,837</b></u>



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### Details of Expenditure by Subhead

The estimate of the amount required in 2023–24 for the salaries and expenses of the Intellectual Property Department is \$254,837,000. This represents an increase of \$31,974,000 over the revised estimate for 2022–23 and \$42,084,000 over the actual expenditure in 2021–22.

#### *Operating Account*

#### Recurrent

**2** Provision of \$254,837,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Intellectual Property Department. This represents an increase of \$31,974,000 (14.3%) over the revised estimate for 2022–23. This is mainly due to the increased requirements in departmental expenses, salaries and personnel related expenses for enhancing the capacity of the Department to follow through the patent reform and underpin Hong Kong as a regional intellectual property trading centre.

**3** The establishment as at 31 March 2023 will be 193 posts. It is expected there will be a net increase of one post in 2023–24. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2023–24, but the notional annual mid-point salary value of all such posts must not exceed \$139,162,000.

**4** An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2021–22 (Actual) (\$'000)	2022–23 (Original) (\$'000)	2022–23 (Revised) (\$'000)	<b>2023–24 (Estimate) (\$'000)</b>
Personal Emoluments				
- Salaries .....	140,042	136,324	136,135	<b>135,416</b>
- Allowances .....	3,118	5,648	4,764	<b>5,097</b>
- Job-related allowances.....	—	1	31	<b>1</b>
Personnel Related Expenses				
- Mandatory Provident Fund contribution .....	517	428	504	<b>569</b>
- Civil Service Provident Fund contribution .....	10,193	10,916	10,499	<b>10,965</b>
Departmental Expenses				
- General departmental expenses .....	44,910	64,876	54,530	<b>86,389</b>
Other Charges				
- Publicity and educational programmes .....	13,655	14,400	16,400	<b>16,400</b>
	212,435	232,593	222,863	<b>254,837</b>