

**Summary of Submissions of Stakeholders<sup>1</sup> on the  
Proposed Amendments to the *Rules of the High Court, Cap 4A (RHC)* and  
the Subsidiary Legislation on Intellectual Property (IP) rights<sup>2</sup>  
for governing IP Proceedings<sup>3</sup> with IPD's Responses thereto**

<b>A. General comments on the proposed legislative exercise</b>	
<b>Issues raised by the Stakeholders</b>	<b>IPD's Responses</b>
<p><u>Proposed legislative exercise</u></p> <p>(1) The proposed amendments to the RHC can facilitate the future court proceedings in complying with the Civil Justice Reform, and the key amendments to the Trade Marks Rules (TMR), Patents (General) Rules (PGR), and Registered Designs Rules (RDR) are fair, just and reasonable.</p> <p>[ALA]</p>	<p>We note the supportive view.</p>
<p><u>Strong need of having a specialist IP list/specialized IP judges in Hong Kong</u></p> <p>(2) The lack of a specialist IP list is the cause of substantial delays in the handling and trial of IP cases. Consideration should be given to the possibility for providing for the setting up of an IP list.</p> <p>[HKBA]</p>	<p>(i) The existing Order 72 of the RHC empowers the Chief Justice to establish specialist lists for particular types of proceedings. With a specialist list, specific judges may be assigned to take charge of controlling the proceedings</p>

<sup>1</sup> A list of these stakeholders (together with their individual abbreviations adopted herein) are set out at the *Appendix*.

<sup>2</sup> The relevant IP subsidiary legislation is the *Patents (General) Rules, Cap 514C, Registered Designs Rules, Cap 522A and Trade Marks Rules, Cap 559A*.

<sup>3</sup> The IP proceedings in question are those under the *Patents Ordinance, Cap 514, Registered Designs Ordinance, Cap 522 and Trade Marks Ordinance, Cap 559*.

<b>A. General comments on the proposed legislative exercise</b>	
<b>Issues raised by the Stakeholders</b>	<b>IPD's Responses</b>
<p>(3) The RHC may not be robust enough to help achieve the objective to build Hong Kong as an IP hub by providing a cost-effective and time-efficient court system for IP disputes. There should be specialist IP or patent judges who can actively steer and monitor the case management of the proceedings. The rules should provide mechanisms where parties may apply for a streamlined procedure as in the UK. [LSHK]</p>	<p>in the list and exercise tailor-made and more effective management of cases.<sup>4</sup></p> <p>(ii) Acknowledging the legal practitioners' concern, we propose formally conveying to the Judiciary in writing the legal practitioners' concern together with their proposal on establishing a specialist list for IP cases under which the designated judge in charge of the list may issue a Practice Direction in order to meet the specific needs of IP proceedings. In this connection, representative/professional bodies of IP legal practitioners are invited to make their joint or individual submissions to the Judiciary for elaborating their practice experience, notably the problems and difficulties encountered by them in IP litigation under the current regime, in support of their proposals.</p>
<p><u>Case management</u></p> <p>(4) The RHC should provide that the parties to proceedings be able to list case management summons or conferences before a judge in chambers (preferably a judge</p>	<p>(i) The existing Order 1A of the RHC empowers the court to exercise a wide range of active case management in</p>

<sup>4</sup> At present, the established specialist lists are the Personal Injuries List, the Commercial List, the Construction and Arbitration List, and the Constitutional and Administrative Law List.

<b>A. General comments on the proposed legislative exercise</b>	
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<p>assigned to deal with patent and other IP cases who has experience in hearing trials) to allow for active case management to speed up cases, make litigation more efficient and reduce costs. [HKBA, APAA]</p>	<p>individual cases, which includes giving directions to ensure that the trial of a case proceeds quickly and efficiently.<sup>5</sup></p> <p>(ii) Neither the current RHC nor our legislative proposals precludes a party from applying to have a case management summons or conference listed before a judge in chambers.</p> <p>(iii) Acknowledging that the proposed establishment of a specialist list for IP cases and issuance of Practice Direction by the listed judge may be a practical solution in the long-run,<sup>6</sup> we are refining the relevant draft provisions in our legislative package in consultation with the Law Draftsman for enabling the case management summons be heard by a judge in chambers where appropriate.</p>

<sup>5</sup> See O.1A, r.4(2)(1) RHC.

<sup>6</sup> If a specialist IP list can be set up, case management summons or conference in the list should generally be heard by the judge in charge of the list, subject to the provisions of RHC and his direction to the contrary (O.72, r. 2(3) RHC). Further, the specialist IP judge may also issue appropriate Practice Direction for the specialist IP list to further facilitate/enhance the conduct of IP proceedings.

<b>B. Comments on the proposed amendments to Order 103 of RHC and the PGR</b>	
<b>Issues raised by the Stakeholders</b>	<b>IPD's Responses</b>
<p><u>Proposed legislative exercise</u></p> <p>(1) The proposed legislative amendments to O.103 RHC and PGR are welcome since there is a strong need to update the relevant legislation so as to clarify the court proceedings. [HKIPA, HKCPAA]</p>	<p>We note the supportive view.</p>
<p><u>Groundless threat / patent infringement proceedings</u></p> <p>(2) There should be specific provisions governing the issues of patent infringement arising from proceedings of groundless threats actions under section 89 of Patents Ordinance (PO), for example:</p> <ul style="list-style-type: none"> <li>(i) The proposed rules in O.103, r. 27 on pleading particulars of infringement (and in O.103, r.31 for amendments of particulars) should be extended to include allegation of infringement made in a threats action;</li> <li>(ii) O.103, r.27 should be amended to reflect that the plea of infringement will be in a defence and/or counterclaim;</li> <li>(iii) Relevant parts of some other proposed rules, e.g. O.103, rr.34, 35, 37 and 38, should be extended so that they are equally applicable to actions under section 89 of PO.</li> </ul> <p>This may be achieved, for example, by including threats actions under section 89 of PO in the definition of “patent infringement proceedings”.</p> <p>[HKBA]</p>	<p>We are introducing supplementary amendments into our legislative package to address these issues.</p>

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<p>(3) For proceedings under section 89 of PO (groundless threat), O.103, r.30 should be amended to require the plaintiff to plead the full particulars of objections to validity to the claims alleged to have been infringed after the patentee (defendant) has pleaded the particulars of the alleged infringement in his defence (and possibly counterclaim). [HKBA]</p>	
<p><u>Amendment of patents</u></p> <p>(4) The proposed requirement on publication of full particulars of the amendments to a patent sought is considered as unduly burdensome and costly in practice. Accordingly, O.103, rr.10, 11 and 39 should be amended to provide that a patent proprietor may publish, instead of all proposed amendments of the patent in the Gazette, a notice stating (i) an application to amend the patent is intended to be made; and (ii) a copy of the proposed amendments can be obtained from the applicant or its solicitors at no cost on request, or be inspected at the office of the solicitors. Alternatively, the notice may provide a .url address for connecting to IPD's website where a copy of the proposed amendments can be inspected. [HKBA, APAA]</p>	<p>We are refining the relevant draft provisions to simplify our proposed requirement on publication of an application on amendment to a patent in consultation with the Law Draftsman.</p>
<p><u>Amendment of particulars</u></p> <p>(5) The proposed O.103, r.31 should mirror the existing approach on amendment of pleadings without leave of the court under O.20, r. 3 by expressly providing that a party may also amend particulars of infringement or particulars of objections to validity of</p>	<p>We are refining the relevant draft provisions in our legislative package in consultation with the Law Draftsman so as to take the suggested amendment on board.</p>

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<p>patent once without leave. [HKBA]</p>	
<p><u>Discovery of prior arts</u> (6) While supporting the adoption of the general limitation on discovery of documents relating to validity of a patent to those that came into existence within the period beginning 2 years before and ending 2 years after the priority date under O.103 r.34(3)(b)(ii), it is submitted that the proposed high threshold for the court to widen such period under O.103 r.34(7) (i.e. where the court “is satisfied that justice is unlikely to be done unless the discovery is ordered” should be revised to “if it is just to do so”. [HKBA]</p>	<p>We are refining the relevant draft provisions in our legislative package in consultation with the Law Draftsman so as to take the suggested amendment on board.</p>
<p><u>Service of documents on patent proprietors</u> (7) While supporting O.103, r.43<sup>7</sup> which simplifies the process of service on the proprietor of a patent, it is suggested that the meaning of the proprietor should include exclusive licensee so that an exclusive licensee may also be served at an address in Hong Kong, for example, in proceedings where they made threats of bringing legal proceedings. [HKBA]</p>	<p>Upon review, we prefer <u>not</u> expanding the scope of this provision to service of proceedings on the exclusive licensees for the time being. (a) Under the Patents Ordinance, Registered Designs Ordinance and Trade Marks Ordinance, recordal of grant of a licence with the Patents/Designs/Trade Marks Registry is <u>not</u> compulsory (in the sense that non-recordal would not render the grant of a licence invalid).</p>

<sup>7</sup> There are similar provisions for trade marks (O.100, r.7) and registered designs (O.122, r.16).

<b>B. Comments on the proposed amendments to Order 103 of RHC and the PGR</b>	
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	(b) To maximize the desired effect of the proposed extension of the scope of O.103 r.43, O.100 r.7 and O.122 r.16 to cover service of proceedings on exclusive licensees, a separate review of the underlying provisions on recordal of licence in the relevant IP legislation has to be conducted in consultation with the stakeholders.
<p><u>Power of the court in hearing case management summons under O. 103, r.37</u></p> <p>(8) During hearing case management summons, the court should have power to order:</p> <ol style="list-style-type: none"> <li>a. an inspection of a process, including the taking of samples;</li> <li>b. that a product be made available for inspection or a product sample be provided;</li> <li>c. the parties to serve statements of cases, providing information and clarification on particular facts and arguments they want to rely;</li> <li>d. the parties to provide a reading guide to the court before trial; and</li> <li>e. the parties to provide a technical primer agreed by the parties to the court, setting out the basic undisputed technology relevant to the case.</li> </ol> <p>Parties should be required to give notice if they wish to use apparatus or models at trial.</p> <p>[APAA]</p>	<p>The court's power to make the various orders as exemplified by the practitioners falls within the case management power of the court. Upon reviewing the relevant draft provisions in light of the existing Order 1A of the RHC, we consider that the court has the necessary, broad and flexible power to make any order/direction which is relevant/conducive to and/or necessary for managing the effective conduct of the individual patent cases, and to ensure that the trial of the cases proceeds quickly and efficiently. As such, it is <u>not</u> strictly necessary for the new O.103, r.37 to provide for a rigid list of orders which the court may make in case management. Instead, examples of these orders are more appropriate to be specifically set out in Practice Directions to be issued by the court, if the court sees fit to do so.</p>

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<p><u>Limitation proceedings under the European Patent Office</u></p> <p>(9) In the event that a designated EP patent has been voluntarily narrowed following limitation proceedings, a new process should be introduced for enabling the Registrar of Patents for, upon application, recording such limitation administratively, rather than requiring the parties to resort to applying to the court for amendment under the existing regime.</p> <p>[APAA]</p>	<p>Limitation proceedings can be filed with EPO at any time after grant of the relevant EP rather than within a limited filing period as contemplated under sections 43 and 44 of PO concerning the prescribed opposition or revocation proceedings in the designated patent office. As standard patents granted in Hong Kong are independent of their corresponding designated patents granted outside Hong Kong, we do <u>not</u> consider it appropriate to introduce new procedures under which the outcome of limitation proceedings filed any time before the EPO can be administratively recorded by the Registrar of Patents or else the independent and separate legal status of standard patents after grant in Hong Kong is seriously compromised.</p>
<p><u>Prescribed opposition or revocation proceedings under section 36 of PGR</u></p> <p>(10) The reference to post-grant revocation proceedings of patents under the Patent Law of the PRC and its Implementation Regulations (which have been abolished) in section 36 of PGR is no longer valid.</p> <p>[APAA]</p>	<p>We are aware of the need to update the scope of section 36 of PGR and are attending to update all the relevant existing statutory provisions in our separate legislative exercise on amending the PGR for laying down the new procedures for implementing the new original grant patent system and the refined short-term patent system.</p>

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<p><u>Filing of court order with the Registrar of Patents</u></p> <p>(11) O.103, r.44<sup>8</sup> requires the filing of a sealed copy of an order, a direction or a certificate granted by the court in favour of a person in the proceedings with the Registrar of Patents. As many orders may be made during the course of litigation, it may not be necessary for the Registrar of Patents to have copies of all such orders.</p> <p>[APAA]</p>	<p>We consider the orders, directions or certificates granted by the court that are required to be filed with the Registrar of Patents, Registrar of Trade Marks or Registrar of Designs should be confined to those affecting the entries on the register of patents/trade marks/designs, such as those relating to the ownership, validity, protection scope of/any other interest in a patent/trade mark/registered design or an application for the grant thereof, and those court orders/directions requiring compliance/follow up by the Registrar. In this regard, we are refining the relevant draft provisions to clarify our legislative intent in consultation with the Law Draftsman, taking into account the existing requirement under section 52 of PGR, section 48 of RDR and section 117 of TMR.</p>
<p><u>Grounds putting the validity of patent in issue</u></p> <p>(12) The expectation that a defendant has to include in the particulars of objections <u>all</u> grounds on which the validity of patent is put in issue and the information of <u>every</u> prior publication or user relied on to support the grounds under O.103 rr.30(6)(a) and (7)(a) at an early stage, and that the particulars can only be supplemented with a possible cost order may be unrealistic and too onerous.</p>	<p>We consider that it should be sufficient to require the particulars of objection to include the grounds and the prior arts on which a defendant seeks to rely to dispute the validity of the patent in question, and that the defendant may apply to the court at a later stage to supplement such grounds and/or such prior arts.</p>

<sup>8</sup> There are similar provisions for trade marks (O.100 r.8) and registered designs (O.122 r.17).

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[LSHK]	Accordingly, we are refining the relevant provisions to reflect our legislative intent.
<p><u>The jurisdiction of the Registrar of Patents in patent revocation proceedings</u></p> <p>(13) In the long run, the Registrar of Patents should handle the validity proceedings like many other patent offices in the world (e.g. SIPO, USPTO) to relieve the heavy burden of litigation costs in court.</p> <p>[HKIPA]</p>	<p>(i) Under the current PO in force, the Registrar of Patents does <u>not</u> have power to adjudicate patent revocation proceedings other than those filed solely on the ground that the invention in question is contrary to “ordre public” or morality.</p> <p>(ii) The scope of the current legislative exercise is only confined to amending the subsidiary legislation covering the RHC and the PGR pursuant to the enabling provisions under the current PO in force.</p> <p>(iii) While the issue on the possible expansion of the jurisdiction of the Registrar of Patents is out of the scope of the current legislative exercise, we would certainly bear this issue in mind in our future exercise on reviewing the local patent law.</p>
<p><u>Acknowledgement of receipt of notice of reference to the court</u></p> <p>(14) In many situations under the Orders (e.g. O.103 rr.8(4) and 9(3)<sup>9</sup>), a person who</p>	There is no consequence for <u>not</u> acknowledging receipt.

<sup>9</sup> Also O.100 r.6(4) and O.122 rr.7(3) and 8(3).

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<p>received written notice of proceedings must acknowledge receipt of the notice in writing. Query was made as to the consequences of not acknowledging receipt. [LSHK, APAA]</p>	

<b>C. Comments on the proposed amendments to Order 100 of RHC and the TMR</b>	
<b>Issues raised by the Stakeholders</b>	<b>IPD's Responses</b>
<p>(1) Concern was expressed that if the Registrar refers proceedings to the court under section 77(1)(b) of the Trade Marks Ordinance (TMO), the applicant's original choice to start the proceedings before the Registrar (for cost saving or other reasons) will be lost. Query was made as to when, why and how often a revocation or invalidation started before the Registrar may get referred to the court. [APAA]</p>	<p>We are not aware of any instance in the past where the Registrar has made a reference to the court under section 77(1)(b) of TMO. The Registrar will make a reference to the court only in special circumstances.<sup>10</sup></p>
<p>(2) It was suggested that in O.100 r.5(1), the words "the right conferred on the owner of a registered trade mark by section 14 of the Ordinance" be replaced with "a registered trade mark" or "a trade mark registered under the Ordinance". It was observed that the original wording might give rise to questions as to whether or not the provision relates only to proceedings brought by the owner of a registered trade mark, when such proceedings can also be brought by a licensee. [APAA]</p>	<p>Subject to the views of the Law Draftsman, we agree to replace the words with "a registered trade mark".</p>

<sup>10</sup> See Kerly's Law of Trade Marks and Trade Names (15<sup>th</sup> edition), paragraph 10-151.

<b>C. Comments on the proposed amendments to Order 100 of RHC and the TMR</b>	
<b>Issues raised by the Stakeholders</b>	<b>IPD's Responses</b>
<p>(3) In O.100 r.2, the word “provision” should be replaced by “provisions”. [HKBA]</p>	<p>We will work with the Law Draftsman to correct this grammatical mistake. Further amendments might be made to align the wording used in O.100, O.103 and O.122.</p>
<p>(4) Regarding O.100 r.4(2) and (3)<sup>11</sup>, no burden should be imposed upon a person applying for an order for delivery up or an order for disposal under the TMO to have to ascertain whether there may be other persons in whose favour an order for disposal could be made under the TMO, Registered Designs Ordinance (RDO) or Copyright Ordinance (CO). [HKBA]</p>	<p>Under section 25(2) of TMO, the court may direct that the infringing goods, material or articles be disposed of and the proceeds be divided among all persons interested in those goods, material or articles. Section 25(5) of TMO states that provision may be made by rules of court as to the service of notice on persons having an interest in the infringing goods, material or articles.</p> <p>Draft O.100 rr.4(2) and (3) were modelled on O.100 r.3(8) of the UK's Rules of the Supreme Court (now repealed).<sup>12</sup> Currently in the UK, paragraph 19.1 of Practice Direction 63 imposes the same burden on a trade mark owner applying for an order for disposal to serve notice on all identifiable persons having an</p>

<sup>11</sup> There is a similar provision for registered designs (O.122 r.11).

<sup>12</sup> O.100 r.3(8) of the UK's Rules of the Supreme Court provides:-

*“Where an application is made under section 19 of the 1994 Act the applicant shall serve notice of the application on all persons so far as reasonably ascertainable having an interest in the goods, material or articles which are the subject of the application, including any person in whose favour an order could be made in respect of the goods, material or articles under the said section of the 1994 Act or under section 114, 204 or 231 of the Copyright, Designs and Patents Act 1988.”*

<b>C. Comments on the proposed amendments to Order 100 of RHC and the TMR</b>	
<b>Issues raised by the Stakeholders</b>	<b>IPD's Responses</b>
	<p>interest in the infringing goods, materials or articles.<sup>13</sup></p> <p>We also take the view that the applicant for an order for disposal is the appropriate person to assist the court to identify other persons having an interest in the goods, material or articles. The applicant only has to serve notice on such persons “so far as reasonably ascertainable”.</p> <p>Under the proposed O.122 r.11, where a registered design owner applies for an order for disposal, he/she has a similar duty to serve notice on other persons (including trade mark owners) having an interest in the goods, material or articles.<sup>14</sup></p>
<p>(5) In O.100 r.7(1), the words “this Ordinance” should be replaced by “the Ordinance”. [HKBA]</p>	<p>We will work with the Law Draftsman to revise this provision as suggested.</p>

<sup>13</sup> Paragraph 19.1 of Practice Direction 63 provides:-

*“Where an application is made under section 19 of the 1994 Act, the applicant must serve the claim form or application notice on all identifiable persons having an interest in the goods, materials or articles within the meaning of section 19 of the 1994 Act.”*

<sup>14</sup> The equivalent provision in the UK is paragraph 23.1 of Practice Direction 63, which provides:-

*“An applicant who applies under section 99, 114, 195, 204, 230 or 231 of the 1988 Act for delivery up or forfeiture must serve—*

*(1) the claim form; or*

*(2) application notice, where appropriate,*

*on all identifiable persons who have an interest in the goods, material or articles within the meaning of section 114, 204 or 231 of the 1988 Act.”*

<b>D. Comments on the proposed new Order 122 of RHC and amendments to the RDR</b>	
<b>Issues raised by the Stakeholders</b>	<b>IPD's Responses</b>
<p>(1) The use of the term “reference” in section 37 of the RDR is questioned. Section 44 of the RDO refers to revocation proceedings although the term “revocation” is not used.</p> <p>[APAA]</p>	<p>We agree that a reference to the Registrar under section 44 of the RDO is, in effect, an application for the revocation of the registration of a design. However, we prefer to retain the word “reference” (as used in the current section 37 of the RDR) which better aligns with section 44 of the RDO.</p>
<p>(2) Regarding the new section 37A of the RDR, it was suggested that the applicant should also notify the registered owner if he/she has complied with subsection (4)(a), such that the registered owner can know whether or not the application has been abandoned.</p> <p>[APAA]</p>	<p>We will work with the Law Draftsman to revise this provision as suggested.</p>
<p>(3) Regarding the new section 38(5) of the RDR, it was suggested that “as soon as practicable” was too vague and that it would be clearer to stipulate a specific time frame, e.g. 2 months.</p> <p>[APAA]</p>	<p>We will work with the Law Draftsman to amend this provision.</p>
<p>(4) Regarding the new section 38(5) of the RDR, it was suggested that the applicant should also notify the registered owner if he/she has complied with subsection (5)(a).</p> <p>[APAA]</p>	<p>We consider that the suggested amendment is unnecessary, as non-compliance with subsection (5)(a) will not affect the registered owner. Further, the registered owner should already have received copies of all notices of opposition under subsection (3)(b).</p>

<b>D. Comments on the proposed new Order 122 of RHC and amendments to the RDR</b>	
<b>Issues raised by the Stakeholders</b>	<b>IPD's Responses</b>
(5) Textual comments were suggested to clarify that the new section 38(5) of the RDR refers to notices of opposition from different intending opponents. [APAA]	We will clarify the wording of this provision.
(6) In the new section 49A(2) of the RDR, “on the initiative on the Registrar” should be replaced by “on the initiative <u>of</u> the Registrar”. [APAA]	We will work with the Law Draftsman to correct this grammatical mistake in section 49A(2) of the RDR and section 104A(2) of the PGR.

Intellectual Property Department, HKSAR Government

December 2017

**List of the stakeholders**

<b>Stakeholders</b>	<b>Abbreviations</b>
Asian Licensing Association	ALA
Asian Patent Attorneys Association (Hong Kong Group)	APAA
Hong Kong Bar Association	HKBA
Hong Kong Chinese Patent Attorneys Association	HKCPAA
Hong Kong Institute of Patent Attorneys	HKIPA
The Law Society of Hong Kong	LSHK