

**For discussion on
30 April 2024**

**Legislative Council
Panel on Commerce, Industry, Innovation and Technology**

**Progress on Developing Hong Kong into a
Regional Intellectual Property Trading Centre**

Purpose

This paper briefs members on various measures implemented by the Government to develop Hong Kong into a regional intellectual property (IP) trading centre and the progress.

IP Trading

2. IP rights are the results of intellectual creation, covering patents, trade marks, copyright, industrial designs, plant varieties, trade secrets, etc. They are intangible assets and are recognised and protected by law. More specifically, IP rights grant creators, inventors and enterprises exclusive legal rights over their inventions, creations and creative ideas, and ensure that they can derive economic value from their inventions, creations and creative ideas, providing them with incentives and motivation to continue to create and fully utilise the intangible IP assets to gain returns, thereby promoting the development of a high-quality knowledge-based economy.

3. IP trading is a concept that encompasses the creation, identification, protection, management, transformation and commercialisation of IP rights. IP assets are usually developed and exploited for economic purposes through various trading activities such as transfer (buying and selling), licensing, franchising, technology transfer, establishment of joint ventures and corporate spin-offs¹, thereby promoting

¹ Some specific examples of the relevant trading activities are –

research and development (R&D), creative expression and other commercialisation of innovation outcomes.

Overview of the Development

4. Our country is making great strides towards high-quality development. During this year's "Two Sessions" in Beijing, President Xi Jinping underscored the importance of accelerating the development of "new quality productive forces" as a key component and pillar for high-quality development. The current term Government is also actively promoting the upstream, mid-stream and downstream development of Hong Kong's innovation and technology (I&T) industry, and creating a complete I&T ecological chain. This is the key to developing "new quality productive forces". Amid fierce global competition in the I&T industry, advanced economies are focusing their attention on developing and making breakthroughs in cutting-edge technologies. Results of R&D, innovation and creative activities call for the corresponding legal protection of IP rights. In fact, our country has positioned Hong Kong as the "eight centres", including a regional IP trading centre, which not only aligns with the country's strategies of

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- **manufacturing and/or merchandising** a product, service or R&D outcome through the exploitation of IP rights – such as producing and selling mobile phones which have applied patented technology, designs, copyright (e.g. mobile applications or software) and trade marks;
 - **transfer** – such as the copyright of the comic character Spider-Man changed hands several times from its original comic company, and subsequently several movie studios reached an agreement to use the copyright of the Spider-Man character together to produce the Spider-Man movies;
 - **licensing** – such as various publishers and film/TV production companies have been authorised by the copyright owner of the works of the writer Jin Yong to adapt his martial art novels for publishing and production of films and TV dramas.
 - **acquisition** – such as a mega entertainment enterprise took over a film production company which was renowned for its huge success in producing film series including the *Star Wars*, at US\$4.05 billion through shares subscription and cash contribution in 2012 and acquired the necessary IP rights to exclusively relaunch the production of the *Star Wars* film series, and produce related TV dramas and merchandise peripheral products ;
 - **franchising** – such as a chained convenient store authorises the franchisees to use its trade mark and business model, including shopfront design, shop equipment, supply chains and promotion campaign, while the franchisees are required to pay for the royalties and daily operating expenses.

building an IP powerhouse and developing “new quality productive forces”, but also complements Hong Kong’s development as an international I&T centre and an East-meet-West centre for international cultural exchange, creating synergies in propelling high-quality economic development in Hong Kong.

5. The Government has been implementing a series of measures from the short, medium and long term to promote the development of Hong Kong into a regional IP trading centre, including (a) strengthening the protection of IP rights; (b) building capacity; and (c) promoting widely, thereby expanding Hong Kong’s competitive advantages in developing IP trading in the region².

6. With the strenuous effort of the Government, IP trading has been gaining importance in Hong Kong’s economic development.

(a) According to information from the Census and Statistics Department, between 2020 and 2022, the total value of exports and imports of services related to the use of IP rights increased by more than 6% and 19% respectively, totalling approximately \$5.8 billion and \$16.3 billion respectively in 2022.³

(b) In the past three years (i.e. between 2021 and 2023), the average number of standard patent registrations granted by the Intellectual Property Department (IPD) exceeded 10 000⁴ each year, and the numbers in these three years were the highest ever. Compared with the previous ten years (i.e. between 2011 and 2020), the average annual registration volume has also increased

² According to the 2023 Global Competitiveness Report published by the International Institute for Management Development in Lausanne, Switzerland, Hong Kong ranked the 12th globally in terms of IP.

³ The statistics on the charges for the use of IP include franchises and trade marks licensing fees, and charges for the use of other IP rights, such as receipts/payments on authorised use of patents, copyright and other non-financial proprietary rights not included elsewhere.

⁴ The annual registration numbers of standard patents (including standard patents by re-registration and standard patents by original grant) in 2021, 2022 and 2023 were 14 662, 11 602 and 10 866 respectively.

by more than 50%, showing an increasingly vibrant I&T ecosystem in the upstream, and enormous market potential on IP trading.

- (c) According to a study report on Hong Kong’s IP-intensive industries⁵ and their contribution to the local economy published by the IPD in December 2023, on average over the period of 2019-2021, these IP-intensive industries contributed \$877.9 billion, i.e. 32.7%, to gross domestic products and created 1.09 million jobs, amounting to 29.1% of total employment in Hong Kong. The median monthly wage of employees in the IP-intensive industries was 11% higher than that of employees in non-IP-intensive industries.

7. It can be seen that the creation, protection and exploitation of IP rights not only bring huge business opportunities and marked economic benefits to Hong Kong, but are also becoming more and more important in promoting I&T and creativity, and developing a high-quality knowledge-based economy in Hong Kong.

Latest Measures and Progress

8. With our country’s firm support, coupled with Hong Kong’s solid foundation and competitive advantages established over the years under “one country, two systems”, including a sound legal system and

⁵ The IPD made reference to the methodologies adopted by the European Union Intellectual Property Office/the European Patent Office (EPO), the United States Patent and Trademark Office and the Intellectual Property Office of the United Kingdom (UKIPO) in identifying Hong Kong’s IP-intensive industries based on the number of IP rights (including patents, trade marks and designs) granted or registered in various industries. The protection of copyright does not depend on registration and the IPD followed WIPO’s “Guide on Surveying the Economic Contribution of the Copyright Industries” to identify copyright-intensive industries. IP-intensive industries in Hong Kong mainly include: manufacturing (including food and beverages, electronic parts, radiation and medical electronics equipment, medical products, chemical products, jewellery and precious metal products, etc.), cultural and creative industries (including printing, design, film and television media, etc.), wholesale and retail (including garments, medical products, computers, computer software, household products, etc.), professional services (including business management, construction, engineering, consulting, etc.), and import and export (including automobiles, machinery, equipment, household items, etc.).

judicial independence, robust IP protection system, simple and low tax regime, sophisticated financial market, highly developed professional services, high-quality human resources, a free, open and regulated business environment, close ties with Mainland China, etc., Hong Kong has the key components to develop into a regional IP trading centre. Over the years, the Government has been committed to promoting a series of policies and measures, and has maintained close liaison and collaboration with stakeholders to consolidate Hong Kong's position as an IP trading centre in the region. Key measures and the latest developments are set out below.

(I) Strengthening the Protection of IP Rights

9. Effective protection of IP rights is the cornerstone to encourage innovation, technological development and creativity, and is also a prerequisite for promoting IP trading amidst a global competitive environment. Hong Kong has a comprehensive IP protection regime, which is a major reason why I&T enterprises choose to set up international headquarters, IP management centres or R&D centres in Hong Kong. As for products and services relating to the cultural and creative industries, such as original literary, dramatic, artistic and musical works, they are not only protected by copyright, but are also susceptible of industrial application, brand marketing and other activities of IP trading and commercialisation through trade marks and designs. Therefore, the Government attaches great importance to the legal protection of IP rights and continues to implement the following series of enhancement measures as set out in the Chief Executive's Policy Addresses of the current term Government to ensure that Hong Kong's IP protection system can keep pace with the times, align with international development trends, and meet Hong Kong's economic needs.

Patents

(a) Implement the “original grant patent” (OGP) system⁶

10. The patent system is a key component of the IP protection regime, and one of the important foundations for I&T development. Since the launch of the OGP system in 2019 and up to end-March this year, we received a total of 859 OGP applications and granted 105 OGPs. The IPD has been allocated a total of about \$84 million over the three financial years from 2022-23 to 2024-25 for employing and nurturing more patent examiners and gradually expanding its patent examination team to enhance the OGP examination capabilities. The short-term goal is to increase the number of patent examiners from the current 29 to about 40 next year, covering the three major technical fields of electricity, chemistry and mechanical engineering. In the long term, the IPD will strive to gradually establish a team of about 100 examiners and acquire institutional autonomy in conducting substantive patent examination in 2030 as set out in the Chief Executive’s 2022 Policy Address. In this regard, the IPD will sustain its efforts in staff recruitment and training, enhancing the quality and efficiency of patent examination, institutional establishment and enhancement, etc. The IPD will also maintain close liaison with the China National Intellectual Property Administration (CNIPA) on technical support and manpower training, including arranging the IPD’s patent examiners to undergo training by the CNIPA in the Mainland.

⁶ The OGP system provides an alternative path to the existing “re-registration” route for patent applicants to seek standard patent protection directly in Hong Kong with a maximum term of 20 years. An OGP application is subject to substantive examination by the Patents Registry of the IPD for determining whether an invention is novel, involves an inventive step, and is susceptible of industrial application before a patent can be granted. Whereas under the “re-registration” route, a patent applicant is required to first file an application at one of the three designated patent offices outside Hong Kong (being the China National Intellectual Property Administration (CNIPA), the EPO (for patent applications designating the United Kingdom), and the UKIPO respectively), to be followed by an application to the IPD for re-registration, before he/she can obtain a standard patent by re-registration in Hong Kong. The annual registration numbers of standard patents (re-registration) in 2021, 2022 and 2023 were 14 655, 11 573 and 10 815 respectively.

(b) Implement the “patent box” tax incentive

11. The provision of tax incentives will encourage the industrial and R&D sectors, creative industries and IP users to engage in more IP creation, protection and exploitation with a view to carrying out IP trading activities, which is an important strategy to develop, upgrade and add value to their products and services.

12. Since 2018, the scope of profits tax deductions has been expanded to cover capital expenditures incurred by enterprises for the purchase of eight categories of IP rights⁷, the registration of four categories of IP rights⁸, and R&D expenditures of a capital nature⁹, with a view to encouraging enterprises to develop IP-related businesses.

13. In order to encourage enterprises to devote more resources to actively carry out R&D activities, create more IPs with market potential and exploit patent and other IPs for commercialisation and trading as a catalyst for promoting I&T and IP trading activities, with a view to consolidating Hong Kong’s competitiveness as a regional IP trading centre, the 2023-24 Budget announced that a trade consultation would be conducted on the implementation of a “patent box” tax incentive in Hong Kong, which was confirmed for implementation in the Chief Executive’s 2023 Policy Address. We introduced the legislative proposal

⁷ Since June 2018, the scope of profits tax deductions has been expanded from covering capital expenditures incurred for the purchase of patents, know-how, copyright, registered trade marks and registered designs to also cover capital expenditures incurred for the purchase of layout designs (topographies) of integrated circuits, plant varieties and performances.

⁸ Starting from June 2018, the scope of profits tax deductions has been expanded from covering the registration expenses of patents, registered designs and trade marks to also cover the registration expenses of plant variety rights.

⁹ Enterprises can apply for additional tax deduction for expenditure incurred on qualifying R&D activities on or after 1 April 2018. R&D expenditures eligible for deduction are classified into either “Type A expenditures” which qualify for 100% deduction or “Type B expenditures” which qualify for enhanced tax deduction. The enhanced tax deduction for Type B expenditures is a two-tiered deduction regime. The deduction is 300% for the first \$2 million of the aggregate amount of payments made to “designated local research institutions” for “qualifying R&D activities” and expenditures incurred by enterprises from carrying out in-house qualifying R&D activities. The remaining amount is qualified for 200% deduction. There is no cap on the amount of enhanced tax deductions, and the deduction is applicable to all enterprises.

on the implementation of “patent box” tax incentive to the Legislative Council (LegCo) for first and second readings on 10 April this year, with a view to setting the tax rate for qualifying profits derived from eligible IP (in particular patents) created through R&D activities at 5%, which is substantially lower than the prevailing normal profits tax rate of Hong Kong (i.e. 16.5%). We hope to have the support of the LegCo to secure early passage of the relevant legislative amendments, so that the I&T sector and relevant organisations and enterprises can enjoy the benefits of this initiative the soonest.

(c) Prepare for the establishment of a Technology and Innovation Support Center (TISC)

14. Researchers and innovators require different support at different stages of the innovation cycle. Amongst them, the TISC, a dedicated programme of the World Intellectual Property Organization (WIPO), provides consultation services to researchers and innovators with a wide range of information including patent utilisation, search analysis, technology transfer, IP management and commercialisation, etc., helping them make use of the IP system (especially by means of patents) to protect their inventions and guiding them to bring the technology to market.

15. More than 100 TISCs have been established in the Mainland under this dedicated programme. The 2024-25 Budget has announced that the Government will respond positively by making a recommendation to CNIPA for establishing a TISC in Hong Kong, and has set aside \$45 million to support the Hong Kong Productivity Council (HKPC) to establish and operate the TISC in the first three years, covering various expenses¹⁰. Upon the approval of CNIPA and WIPO, it is anticipated that the TISC in Hong Kong will commence operation in 2025 the earliest.

¹⁰ The various expenses include salaries, rent, office equipment, infrastructure building (including development of information technology systems and websites, connection to databases, etc.), consultancy fees and other administrative expenses. The IPD will further discuss with the HKPC in order to formulate and finalise the overall work plan and detailed implementation arrangements, including the manpower involved, detailed service content, resources borne by the HKPC, timetable for the establishment and key performance indicators, etc.

16. In addition to allowing Hong Kong to better integrate into the overall development of the country, this strategic move can also focus on providing local start-ups, small and medium enterprises (SMEs) and entrepreneurs with high-quality IP (especially patents) information and services, and assist them in exploring their innovation potential on the one hand, and creating, protecting, managing and commercialising their IPs on the other hand. It will not only protect R&D outcomes, but also promote IP trading. The services provided by the TISC will also help inspire and cultivate the professional knowledge and experience of local I&T talents in various innovation processes such as R&D, patent application, and transformation of outcomes. Separately, the IPD also plans to deploy its patent examiners to the TISC to assist in providing relevant information on patent application strategies, operation of the industry, I&T trends, etc., so that the patent examiners can better understand the market trends and needs. This will be greatly beneficial to the exchange of professional knowledge on patent examination and industry support.

Copyright

17. The Chief Executive's 2022 Policy Address announced that the Government would strive to secure passage of the amendment bill to the Copyright Ordinance to strengthen copyright protection in the digital environment in 2023. The Commerce and Economic Development Bureau (CEDB) introduced the Copyright (Amendment) Bill 2022 into the LegCo for first and second readings on 8 June 2022, and the bill was scrutinised and passed by the LegCo on 7 December 2022 within six months. The relevant amendments came into effect in May 2023. After the implementation of the relevant amendment ordinance, the Customs and Excise Department (C&ED) continues to co-operate with copyright owners and steps up inspections and enforcement. In October 2023, the C&ED cracked down on infringement activities involving illegal streaming devices with reference to the "communication right" provision under the amended Copyright Ordinance for the first time, and raided ten retail shops suspected of offering customers illicit streaming devices (namely TV set-top boxes and designated application programmes) for watching infringing

audiovisual contents. A total of seven people were arrested during this operation, while approximately 1 500 suspected illicit streaming devices and a batch of computers and video equipment with an estimated market value of about \$1.74 million were seized.

18. In addition, in view of the copyright issues arising from the rapid development of artificial intelligence technology, in accordance with the Chief Executive's 2023 Policy Address, we will conduct a consultation within this year to explore further enhancement of the relevant protections provided by the Copyright Ordinance to ensure that Hong Kong's copyright regime remains robust and competitive.

Registered Designs

19. One of the policy measures announced in the Chief Executive's 2023 Policy Address was to reduce the fees chargeable by the Designs Registry by 10% to 70% so as to encourage the industry to register and protect their designs in a timely manner for transformation and application. The relevant subsidiary legislation effecting the fees reduction had passed the negative vetting procedure, and the new fees came into effect on 1 March this year.

20. As undertook in the Chief Executive's 2022 Policy Address, we have already launched a detailed and in-depth review of the local registered designs regime, with a view to commencing consultation next year on the way forward in updating the regime to ensure that the regime closely follows the mainstream international practices and meets the needs for the development of local industries and digital economy.

Trade Marks

21. To enable the early implementation of the international trade mark registration system under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid

Protocol)¹¹ in Hong Kong, the Government is pressing ahead with the necessary preparatory work, including formulating the workflow for processing applications for trade mark registration filed under the international registration system, preparing for the roll-out of the required information technology system, arranging manpower training, etc. Since the Madrid Protocol is an international treaty, we need to seek the formal agreement of the Central People's Government to apply the Madrid Protocol to Hong Kong. The Government continues to maintain communication with the Mainland authorities to further discuss the detailed arrangements for implementing the international trade mark registration system in Hong Kong.

Cross-boundary Facilitation Measures

22. IP protection is territorial. Different jurisdictions have their own IP protection systems and laws to deal with different IP issues and policies (including applications for IP registration), and there is no direct reciprocal recognition of IP registrations granted by other jurisdictions. However, facilitation measures on cross-boundary IP protection can be implemented through bilateral or multilateral arrangements, shortening the procedures and lead time for filing multiple applications for registrations in different jurisdictions.

23. To facilitate cross-boundary IP protection between the Mainland and Hong Kong, the IPD has all along been exploring with the relevant Mainland IP authorities the feasibility of implementing cross-boundary IP protection facilitation measures. In this connection,

- (a) CNIPA, with the support of the IPD and the IP authorities of Guangdong Province and Shenzhen Municipality, launched a

¹¹ The Madrid Protocol provides a one-stop process for trade mark owners to apply to the International Bureau of the WIPO to register a trade mark in its register, and to extend the protection of the trade mark to multiple jurisdictions through the relevant registration. The arrangement greatly simplifies the registration process for trade mark owners without requiring them to submit applications at each jurisdiction individually. The Madrid Protocol currently has 114 members, covering 130 countries, including China and many of Hong Kong's major trading partners, but it has not yet been applied to Hong Kong.

three-year pilot project in January 2023 for prioritising examination of qualified invention patent applications filed by Hong Kong applicants in the Mainland¹², which facilitates Hong Kong applicants to seek patent protection in the Mainland, fulfilling one of the policy measures in the Chief Executive’s 2022 Policy Address. As at end-March this year, the Mainland authorities had received a total of 28 requests for prioritised examination, of which 13 applications for invention patents had been granted.

- (b) with the support of the IPD, the IP authorities of the Guangdong Province has progressively set up the “Hong Kong Special Administrative Region Intellectual Property Enquiry Points” in 16 cities in the Guangdong Province since October 2021 to facilitate Mainland residents and enterprises to enquire about matters relating to applications for IP registration in Hong Kong. With the assistance of the Mainland authorities, the IPD also launched a reciprocal enquiry service in February 2023, through which Hong Kong residents and enterprises can enquire about matters relating to applications for trade mark registration in the Mainland via email.

The IPD, together with the relevant authorities of the Mainland, will continue to review the implementation of the above facilitation measures, with a view to exploring the feasibility of further enhancement and expansion of these measures.

¹² Under this pilot project, if the invention patent application filed by a Hong Kong applicant meets the relevant conditions (including that the application falls within the technical fields specified in the “Administrative Measures for Prioritised Patent Examination” (2017)), the applicant can submit a request for prioritised examination of the application by CNIPA. Such requests can be submitted to CNIPA’s patent agency office in Guangzhou or Shenzhen. The IP authorities of Guangdong Province and Shenzhen Municipality will be responsible for recommending the applications filed by Hong Kong applicants for prioritised examination, whereas the IPD will assist in, for example, vetting the Hong Kong applicants’ subject qualifications (if further checking is required).

(II) Building Capacity

24. Talent is the key to Hong Kong's advancement towards a high-value-added, innovation-driven and knowledge-based economy. Developing Hong Kong into a regional IP trading centre will stimulate and drive the demand for high-value-added IP-related professional services, such as legal, mediation and arbitration, accounting, finance, valuation, management, consultation and agency services, and also generate new business and employment opportunities for the relevant professional services sectors, catalysing further industry growth, thereby fostering a thriving business environment in Hong Kong and contributing to the overall growth of the local economy.

Plan for Regulatory Arrangements on Patent Agency Services

25. In line with the Government's strategy of "trawl for talents, retain talents, nurture local talents", the Chief Executive's 2023 Policy Address announced that the Government would take the lead in discussing with stakeholders to plan for the introduction of regulatory arrangements for local patent agent services, covering professional qualification requirements and registration, as well as the regulatory model and framework, with the aim of enhancing service quality and nurturing patent talents, and supporting the development of the OGP system. The 2024-25 Budget announced that the IPD will be allocated an additional funding of about \$12 million in total over the next three financial years from 2024-25 to 2026-27 to implement this measure. The IPD has started relevant preparatory work, including examining the various key issues regarding the introduction of regulatory arrangements, establishing a work team, contacting stakeholders, etc. It will conduct discussions with stakeholders shortly to collect their opinions on different issues for the Government to deliberate on the way forward.

Intellectual Property Manager Scheme and Training

26. The IPD launched the Intellectual Property Manager Scheme for SMEs in May 2015 with a view to optimising and enhancing their IP

manpower capacity and boosting their competitiveness through IP management and commercialisation. To meet the development needs of the enterprises, the IPD launched the Intellectual Property Manager Scheme PLUS in October 2020 to provide more comprehensive and in-depth IP training courses and practical workshops. About 7 700 practitioners had participated in relevant trainings. The IPD will continue to enhance the Scheme and training courses. It is expected that the training courses and practical workshops will continue to attract more than 1 000 participants in the 2024-25 financial year. The IPD will continue to work towards the target to provide IP training for 5 000 personnel across different industries within the current term of the Government as set out in the Chief Executive's 2022 Policy Address.

Free Intellectual Property Consultation Service

27. In order to help enterprises deepen their understanding of IP and formulate effective IP management and commercialisation strategies, the IPD, with the support of the Law Society of Hong Kong, has been providing free one-on-one IP consultation service for SMEs since December 2014. The free consultation service covers IP registration, management, licensing and due diligence, etc. To enhance the service, the number of lawyers on the team providing the service has been increased and the duration of each consultation session has been extended by the Law Society of Hong Kong since January 2023, delivering the relevant policy measure in the Chief Executive's 2022 Policy Address. To date, over 660 SMEs have participated in this consultation service.

III. Promoting Widely

28. The gravity of global IP activities has shifted towards Asia in recent years. Ten years ago, Asia accounted for 50% of global IP applications, and now it accounts for 70%. Among them, our country is the largest source of patent, trade mark and design applications in the world. Our country's innovation capacity is particularly remarkable. As at end of last year, our country was home to nearly 5 million valid invention patents, topping the world. With the support of our country, Hong Kong

must continue to leverage the distinctive advantages of enjoying strong support of the Motherland and being closely connected to the world under “one country, two systems”, as well as to reinforce and deepen Hong Kong’s characteristics as an international city.

Business of Intellectual Property (BIP) Asia Forum

29. Co-organised by the Government and the Hong Kong Trade Development Council, the BIP Asia Forum is an annual flagship event for the IP industry in the Asia-Pacific region. It provides an ideal platform for IP industry experts and business leaders from around the world to discuss various IP topics and the latest market developments. It also allows the IP industry and enterprises to explore co-operation and business opportunities. The 2023 Forum, which resumed physical participation in full, was held on 7 and 8 December and attracted over 2 500 participants from 35 countries and regions, including leaders of WIPO and CNIPA, as well as IP experts from the Asia-Pacific Economic Cooperation (APEC) and the Association of Southeast Asian Nations (ASEAN). We will continue to work towards the target of attracting over 10 000 local, Mainland and overseas participants to the Forum within the current term of the Government as set out in the Policy Measures of the Chief Executive’s 2022 Policy Address. The IPD also signed a Memorandum of Understanding (MoU) with the Intellectual Property Office of the Philippines to strengthen co-operation in the field of IP on 8 December 2023. The 2024 Forum will be held on 5 and 6 December 2024.

External Cooperation

30. The Government will continue to foster various external co-operation policy measures on IP as pledged in the Chief Executive’s 2022 and 2023 Policy Addresses. The IPD will continue to communicate and collaborate with IP organisations/institutions/authorities in the Mainland and overseas to promote IP trading and commercialisation, including attending to the affairs of international and regional IP organisations (such as the World Trade Organization Council for Trade-related Aspects of Intellectual Property Rights, WIPO and APEC’s Intellectual Property

Rights Experts Group), participating in conferences and seminars, as well as other exchange programmes, and fostering closer co-operation with ASEAN economies in the IP field. For example, pursuant to the “Hong Kong, China – ASEAN Free Trade Agreement” framework and in collaboration with WIPO, the IPD organised an ASEAN Session at the BIP Asia Forum on the topic of trade mark and brand licensing in December 2023. The session was attended by representatives of IP authorities from the ten ASEAN economies and attracted over 180 participants.

31. In terms of cooperation with the Mainland, the IPD will continue to work closely with the IP authorities of the Mainland to promote IP protection, management and trading under various collaborative frameworks, such as the Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights (the Expert Group)¹³, the Pan-Pearl River Delta Intellectual Property Co-operation Joint Conference and the “16 Co-operation Measures for the Development of the Qianhai Shenzhen-Hong Kong Intellectual Property and Innovation Hub” (the 16 Co-operation Measures)¹⁴, to encourage enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area to actively make use of Hong Kong’s professional services to promote cross-boundary cooperation in IP trading and services.

32. The C&ED will also continue to co-operate and exchange with law enforcement agencies around the world and industry stakeholders to

¹³ Under the framework of the Expert Group, the IPD has been collaborating with various cities in the Guangdong Province in organising a variety of activities to support the business sector (including SMEs) in strengthening IP protection and management for their Mainland operations, including the annual Guangdong/Hong Kong Seminar on Intellectual Property and Development of SMEs. The seminar widely invites various expert speakers from Hong Kong and the Mainland specialising in different fields (including arbitration and mediation) to deliver keynote speeches in cities in the Guangdong Province, with the aim of assisting the business sector (including SMEs) in developing effective IP management, exploitation and commercialisation strategies, so as to better understand and capitalise on the opportunities offered by the development of the Guangdong-Hong Kong-Macao Greater Bay Area as well as to promote the development of innovation and enhance the competitiveness of the enterprises.

¹⁴ In February 2023, the CEDB and the Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Co-operation Zone of Shenzhen Municipality jointly promulgated the 16 Co-operation Measures which cover co-operation in IP protection, exploitation and transformation, exchange and study, promotion and education, IP trading, etc.

enhance the effectiveness of the joint effort in combating infringement crimes. The C&ED held a large-scale regional conference on IP protection in March this year, bringing together as many as 200 representatives from law enforcement agencies from different regions, the World Customs Organization, Interpol, Europol and the business sector, providing a platform for the exchange of knowledge and experiences in the field of IP protection and development. At the meeting, the C&ED signed an MoU on IP protection co-operation with the Quality Brands Protection Committee of the China Association of Enterprises with Foreign Investment, which aims to reinforce the partnership in various IP areas.

Public Education

33. Public education is crucial in raising public awareness and respect for IP rights, driving creativity, and promoting IP trading. The IPD will continue to carry out various promotional and educational work, including promoting the World IP Day; producing short videos on success stories¹⁵ and promotional leaflets, advertising in newspaper and magazines; organising or sponsoring IP-related exhibitions¹⁶, training courses, workshops and events targeting the younger generation¹⁷, etc. The IPD will also make use of online platforms and social media to expand the reach

¹⁵ For example, to strengthen the promotion of the country's support for Hong Kong to develop into a regional IP trading centre, and to promote Hong Kong's competitive edge in developing IP trading under the 14th Five-Year Plan, the IPD has worked with the Radio Television Hong Kong since 2022 to produce a television series named "IP: New Opportunities" with a total of 18 episodes in two seasons. Another new season of television programme for promoting IP trading is being planned for broadcasting in 2024 - 25.

¹⁶ For example, the "Let's Protect Intellectual Property" Exhibition was held at the Central Market from the end April to early May 2023.

¹⁷ During 2023, the IPD continued to forge ahead with the policy measure under the Chief Executive's 2022 Policy Address to reach out to 100 000 students within the current term of the Government by visiting 59 schools and 11 420 students under the school visit programme, and 136 schools and 41 512 students under the interactive drama programme, and holding talks in eight tertiary institutions. Since 2016, the IPD has also collaborated with the law schools of the City University of Hong Kong, the Chinese University of Hong Kong and the University of Hong Kong to organise the Intellectual Property Ambassador Programme for law school students to join as Intellectual Property Ambassadors and participate in training courses and various IP-related activities organised by the IPD, such as school visit programmes, conferences, lectures, seminars, exchange programmes and liaison meetings with IP practitioners.

of the relevant publicity and promotion messages.

34. In addition, as the law enforcement agency for IP rights, the C&ED also makes on-going efforts to enhance public awareness of IP rights through various channels, including seminars and talks organised from time to time in collaboration with the IPD, industry associations and major business associations. The C&ED will continue to organise promotional and educational activities to raise the community's awareness of IP rights.

The Way Forward

35. Looking forward, we will continue to capitalise on Hong Kong's advantages in legal, taxation, professional services, etc. and make every effort to carry out the above measures, so that Hong Kong can seize the opportunity to develop IP trading and ensure a continuous high-quality development of Hong Kong's competitiveness and economy.

Advice Sought

36. Members are invited to note the progress of our work.

**Commerce and Economic Development Bureau
Intellectual Property Department
Customs and Excise Department
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