

'Innovation key to maximizing IP'

Hong Kong's CE says the city can play on its strengths to serve as a regional trading hub for intellectual property

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Developing Hong Kong's innovation and technology sector is a high priority for Carrie Lam Cheng Yuet-ngor, chief executive of the Hong Kong Special Administrative Region, who believes innovation is vital to unlocking the enormous value and benefits of intellectual property (IP).

Lam was speaking on Dec 6 at the opening of the two-day Business of IP Asia Forum, in Hong Kong.

She said combining IP and innovation requires much more than having some great ideas in today's highly competitive global marketplace.

"True innovation occurs when inventors can harness the power of IP and commercial insights, and successfully transform new inventions into products and services which can benefit users in need," she said.

IP creation and trading are growing rapidly in the Guangdong-Hong Kong-Macao Greater Bay Area. A survey reveals the number of patent applications from the Bay Area reached 176,000 last year. This surpassed the total of the world's three other bay areas. Tech giants includ-



Carrie Lam Cheng Yuet-ngor, chief executive of the Hong Kong Special Administrative Region, delivers a speech at the Business of IP Asia Forum on Dec 6. INFORMATION SERVICES DEPARTMENT

ing Huawei, ZTE and Tencent contributed the most.

Benefiting from opportunities brought about by the Belt and Road Initiative as well as the Bay Area, Lam said Hong Kong could serve as an IP trading hub for the Asia-Pacific region.

She said the special administrative region government would provide double funding for three plans under the Innovation and Technology Fund.

This is with the aim of unleashing Hong Kong companies' scientific research capabilities and realizing research and development findings.

The city's IP regime will also be augmented. The government will continue to take action to protect the legitimate rights and interests of IP rights' holders. According to the latest Global Competitiveness Report by the World Economic Forum, Hong Kong ranked ninth out of 140



He Zhimin, deputy commissioner, National Intellectual Property Administration.

economies in IP protection.

Meanwhile, tax laws were amended in June to encourage IP trading. It has expanded profits-tax deductions for capital expenditure incurred for the purchase of IP rights from five to eight types. An original grant patent system is also being established, which can be launched next year.

Margaret Fong Shun-man, executive director of the Hong Kong Trade Development Council, stressed Hong Kong's important role in IP value-chain activities.

"As well as being a prominent cen-

ter for innovation, commerce, trade and finance in Asia, Hong Kong is a focal point for the generation and trading of IP, including technology transfer, licensing, franchising and copyright trading," she said.

On the Chinese mainland, protection and utilization of IP is expected to be favorable for innovation, business growth and social development, said He Zhimin, deputy commissioner of National Intellectual Property Administration.

Statistics released by the World Intellectual Property Organization early this month showed that the mainland is the driving force for growth in patent filings, as well as trademark and industrial design applications in 2017.

The amount of patent filings worldwide reached 3.17 million, with the mainland accounting for 44 percent.

"The tighter and tighter IP protection policy has provided guarantees for overseas companies building innovative businesses in China," said He. "It boosts technology communication between overseas and domestic enterprises as well."

He believes stricter protection could attract more overseas companies as the mainland is opening its doors "wider and wider" to the world.

A call for cooperation among policymakers

International IP experts say that ASEAN must harmonize intellectual property regulations to protect patents, copyrights

By **YANG HAN** in Hong Kong
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Global policymakers need to come together to create a favorable environment for intellectual property (IP) rights protection in today's innovation era, said speakers at a recent forum.

Under the theme Dialogue with IP Policymakers: The Roadmap for Global IP Ecosystem, international IP experts gathered at a panel discussion during the Business of IP (BIP) Asia Forum, held in Hong Kong on Dec 6.

Freddy Harris, chair of ASEAN Working Group on Intellectual Property Cooperation (AWGIPC), said that there should be no manual registration for patents and copyrights over the next three to four years, "because everything must be online," he said.

Established in 1967, the Association of Southeast Asian Nations, or ASEAN, groups Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

"For the infrastructure of the office



Antony Taubman, director, IP division, WTO.

and the human resources — in some countries we still have a problem with the backlog," Harris said, citing a buildup of trademark registration and patent examination cases.

Harris is also director general of intellectual property at Indonesia's Ministry of Law and Human Rights.

ASEAN must harmonize IP regulations among its 10 member states through international best practices, and the harmonization is about protecting local needs, traditional knowledge, genetic resources and



Freddy Harris, chair, AWGIPC.

simple patents in industrial design, said Harris.

Harris said his office in the ministry will focus on industrial design in the coming year.

The utilization of data can bring opportunities for policymakers as data can take the internet of things and artificial intelligence forward in the era of Industry 4.0. Yet there are also challenges, said Harris.

For example, with the advancement of 3D printing technology, there is more chance of objects pro-



Wang Binying, deputy director general, WIPO.

ected by patents or industrial design rights to be distributed in the form of 3D data.

Antony Taubman, director of Intellectual Property Division at the World Trade Organization (WTO), said: "IP was initially seen as somehow the problem or an exclusion from trade, and it was gradually understood as part of the value-added that we find in trade and goods."

"Ultimately, as economists and trade policy people began to understand the importance of the intan-

gible components of trade, it was included as trading services."

As trade is being redefined every day through new business models, it is key to understand the potential social and economic benefits that trade brings, and how it works together with IP, said Taubman.

Though people now realize that IP ownership is a critical factor in many merger and acquisition transactions, finding the appropriate jurisdiction to enforce IP rights globally is difficult, said Taubman. He hopes all parties can work together to adapt to new changes and improve the multilateral trading system.

Noting that trademark serves as an important part of a branding strategy, Wang Binying, deputy director general of World Intellectual Property Organization (WIPO), said the application growth of trademarks has grown for eighth consecutive years. "It is worth mentioning that, in particular, growing economies such as China and Brazil today invest more in branding than high-income countries did when they were at comparable state of development," said Wang.