

Patent Application Grant

Please note that this Q&A provides the points to note of the Patent Application Grant. For the detailed eligibility criteria and the funding conditions of the Grant, please refer to the application form. Please contact the Hong Kong Productivity Council (Tel.: 2788 5958; Fax: 3187 4509) for any questions about this Q&A.

Q1: How to apply for the “Patent Application Grant” (“PAG”)?

A1: Submit PAG application online at <https://apply.pag.hkpc.org/>; or submit two copies of the duly completed application form to the Hong Kong Productivity Council (HKPC) or Innovation and Technology Commission (ITC). The application form can be downloaded at <https://bee.hkpc.org/en/funding-schemes/pag> or https://www.itc.gov.hk/en/fund_app/patent_app_grant.html

For individual applicant, the application form should be submitted together with one photocopy of HKID card and address proof.

For applicant company, the application form should be submitted together with one photocopy for each of the following: Certificate of Incorporation, Business Registration Certificate and Incorporation Form (Form NNC1) or Annual Return (Form NAR1) filed with the Companies Registry and address proof. Representative of the applicant company will be required to produce an authorisation letter issued by the company duly authorising him/her to act for and on behalf of the company in the application for PAG.

Q2: Who is the implementation agent?

A2: The Hong Kong Productivity Council is the implementation agent of the PAG.

Q3: Who is eligible to apply?

A3: All local companies, Hong Kong permanent residents or Hong Kong residents permitted to remain in Hong Kong for not less than seven years who have never owned any patents before are eligible.

For individual applicant, the applicant must be the sole inventor or one of the joint

inventors of the invention.

For company applicant, the inventor(s) of the invention shall be a directly related party/parties to the applicant company, e.g. owner, shareholder, director, or staff.

The PAG is a funding scheme to encourage first-time patent seekers that have never owned any patents before and have not received any funding from the PAG, to apply for patent registration. Applicant companies are required to provide information on their shareholder(s) with 50% or more ownership (the major shareholder(s)). Funding support will not be provided if PAG has been granted to the related companies of the applicant company (i.e. companies having the same major shareholder(s)).

Q4: If I have already filed a patent application in a particular country or obtained another government funding support, am I still eligible to apply for this Grant?

A4: You can still apply for the PAG if you do not have any patents granted by any countries or territories when you apply for the PAG. However, the funds can be used only after your application has been approved by the ITC and are only released to the implementation agent through which the patent application is administrated.

Please note that if the patent application costs have already covered by other sources of government funding (e.g. Innovation and Technology Support Programme or University-Industry Collaboration Programme, Partnership Research Programme, or Dedicated Fund on Branding, Upgrading and Domestic Sales, etc.), it will not be funded by PAG.

The applicant shall immediately inform HKPC in writing in case he/she/it applies for other government funds involving patent budget of the same invention.

Q5: What is the requirement for the invention to be funded by the PAG?

A5: Not all inventions will be funded by the PAG. Only inventions that ITC considers as containing technology elements and susceptible of industrial application would be supported by the PAG.

Q6: How much does patent search-cum-technical assessment cost?

A6: The cost of patent search-cum-technical assessment depends on the complexity of invention. According to our past experience, patent searches and technical assessments normally could be completed within the range of HK\$3,300 to HK\$10,200. The cost may be higher if third party advice (normally from a patent agent/attorney) is required to assess the patentability of the invention. The cost of a typical third party advice report is from HK\$4,500. Please refer to Annex 1 for details.

Q7: What are the details of the application procedures?

A7: All applications received will be treated in the strictest confidence by the implementation agent. The procedures are as follows:

1. Receive application form
2. Assess the accuracy of the information in the application form
3. Identify if the information is sufficient to start the patent search-cum-technical assessment
4. Determine if the invention has sufficient novelty
5. Conduct patent search-cum-technical assessment
6. Conduct assignee search
7. Obtain a search report. For the search report provided by the applicant, the applicant should provide original or certified true copy of the search report for checking
8. Conduct face-to-face interview with the inventor(s) in Hong Kong
9. Recommend to ITC to approve or reject the application (the decision of ITC is final)

Please refer to Annex 2 for details.

Q8: What is patent search-cum-technical assessment?

A8: The purpose of conducting the patent search-cum-technical assessment is to assess whether the invention is of novelty, inventiveness and industrial applicability, and to check from patent databases covering worldwide published patents or applications of more than 48 countries to identify any prior published patents or applications which are analogous to the invention so as to assess whether the invention has a reasonable chance to obtain an invention patent.

We will conduct the patent search-cum-technical assessment upon receipt of a duly completed application form from the applicant. An assignee search will be conducted first to identify if applicants are eligible to apply for the PAG (i.e. the applicant does not own any granted patents prior to submission of the PAG application) and then a patent search. The cost of the patent search-cum-technical assessment will depend on the complexity of the search and assessment and on whether a third-party advice (normally from a patent agent/patent attorney) is required. Normally, the direct cost of patent search-cum-assessment without any third-party advice will be in the range of HK\$3,300 to HK\$10,200.

If the result of patent search by a patent office indicates that the chance of the invention to obtain an invention patent is slight, the applicant may provide a written response to delineate the distinctive features of the invention from those disclosed in the prior art documents in the patent search report, so as to obtain the third party professional advice on whether the invention has a reasonable chance to obtain an invention patent based on the distinction provided. If the third party professional advice is in line with/similar to the result of the patent search report, i.e. the chance of the invention to obtain an invention patent is slight, the applicant may consider obtaining further (which is also a final) third party professional advice from another patent agent/attorney on whether the subject invention has a reasonable chance to obtain an invention patent. Based on our experiences, the direct cost of a typical third-party advice report is from HK\$4,500, and the total cost for patent search-cum-technical assessment may go from HK\$15,000.

The entire patent search-cum-technical assessment will only be continued after the applicant is informed and his consent is obtained. **The total direct cost of the patent search-cum-technical assessment shall be paid in advance by the applicant**, 90% of which will be reimbursed from the PAG grant if and after the application is approved. However, if such PAG application is not approved by ITC, the applicant has to bear the total direct cost of the patent search-cum-technical assessment.

To better assist a patent office to obtain accurate patent search result(s), the applicant should fully state the scope sought for patent protection in the “Intended scope of claims” under Part III, A Item 3 of the PAG application form. It should be drafted in such a manner that it defines clearly and concisely the matter for which protection is sought in terms of the technical features of the invention.

Please refer to the links at footnotes¹ for reference.

Q9: How would it be if the information provided is insufficient?

A9: We will ask the applicant to provide further information. If the applicant fails to respond or provide relevant information within two months from the date of issue of the second reminder by the implementation agent, the application is deemed to be withdrawn.

Q10: How long is the processing time for the application?

A10: The processing time depends on a number of factors, including the complexity of the inventions, and whether all the necessary information has been provided for processing the case. According to our experience, upon receipt of all the required information from the applicant, it may take about an average of 6 to 9 months to inform the applicant of the outcome of the application.

Q11: What will be the chance for success for this “Patent Application Grant”?

A11: Generally, we will conduct patent searches and technical assessments for applicants but the chance of success of the PAG application will depend on the quality of invention and the search and assessment results. Since the launching of the PAG in 1998, around half of the applications are successful.

Q12: Does PAG only cover the filing costs for patent applications?

A12: No. PAG can be used to cover the direct expenses of all kinds of patent registration

¹ 中華人民共和國專利法實施細則 – 第二十一條” 中華人民共和國國家知識產權局 (2010)
[Link: https://www.cnipa.gov.cn/art/2015/9/2/art_98_28203.html] (In Chinese only)

“實用新型申請撰寫示例（說明書）”中華人民共和國國家知識產權局 (2020)
[Link: https://www.cnipa.gov.cn/art/2020/6/5/art_1517_92472.html] (In Chinese only)

“Regulations under the PCT -Rule 6, The Claims, 6.3 (b)” World Intellectual Property Organization (2011)
[Link: http://www.wipo.int/pct/en/texts/rules/r6.htm#_6_3]

“PCT International Search and Preliminary Examination Guidelines, Chapter 5, Section 5.05 ” World Intellectual Property Organization (2019)
[Link: <http://www.wipo.int/pct/en/texts/gdlines.html>]

(except cosmetic design), including filing fee, examination fee, issue fee etc. Please note that any costs incurred before the date of approval and the renewal fee of granted patents, are NOT fundable.

To ensure that sufficient funding is available for the completion of at least one patent registration, a portion of the PAG funding (\$70,000) will be reserved for covering expenses to be incurred in the procedures after the filing of the application(s) to patent office(s), i.e. the post-filing stage² of patent application.

Q13: Does PAG only cover the costs for Hong Kong patent applications?

A13: No. The grant can be used in applying for patents in or outside Hong Kong. However, a grant of not more than HK\$250,000 or 90% of the total direct cost of patent application, whichever is lower, will only be provided to each approved application.

Q14: How long is the validity of the “Patent Application Grant”?

A14: The PAG grant is non-transferable and will be valid for **three** years from the date of approval of the application. ITC and/or the implementation agent may contact the applicant or any of the persons mentioned in Part I of the application form directly to enquire the progress/outcome of the registration of patent(s) funded by the PAG within two years after the expiry of the PAG.

Q15: Do I need to pay any fees after my application of the “Patent Application Grant” has been approved by the Innovation and Technology Commission?

A15: Yes. A grant of not more than HK\$250,000 or 90% of the total direct cost of the patent application(s) (including the direct cost for patent search-cum-technical assessment), whichever is lower, will be provided to each approved application. The applicant should be responsible for the remaining 10% (i.e. the maximum of HK\$27,777.80). After the approval of PAG, you need to appoint a patent agent for handling the patent application(s) and pay HKPC the remaining direct cost in accordance with the amount on each quotation. Please note that the total grant

² Filing stage of patent application involves preparation of the patent specification and filing of the patent application(s) to patent office(s). Post-filing stage refers to all the procedures after the filing stage of patent application. The applicants may seek clarifications from the implementation agent in case of doubts.

amount shall be shared by ALL patent applications during the funded period.

Please be reminded that the PAG may not be sufficient to cover the entire patent application expense, and you have to bear the remaining balance.

Q16: What is the requirement for the appointment of patent agent(s) under the PAG?

A16: If the application is approved, the applicant has to appoint a patent agent meeting the eligibility requirements set out in the prevailing “Guide for Patent Agents” issued by the implementation agent to handle the patent application(s), but ITC or the implementation agent may reject the patent agent(s) so appointed if ITC or the implementation agent is not satisfied with the qualification or expertise of the patent agent in handling patent applications.

The Guide for Patent Agents was first issued in February 2019 and the latest version is available at the below link:

https://bee.hkpc.org/media/ygiaxy5z/guide_for_patent_agents.pdf

Referring to the Guide for Patent Agents, we would like to draw your attention that in the assessment period, if the search report result is unfavourable but the applicant would like to proceed with the application, the applicant has to appoint a patent agent to provide third party advice to confirm the patentability of the invention. To ensure the impartiality of patentability advice, the patent agent providing the patentability advice should have no direct or indirect relationship/association with the patent agent to be appointed to handle the patent application matters after approval of the PAG application.

For individual applicant, the applicant and inventor(s) shall not have any direct or indirect private interests# in, or have any association or connection with the owner(s), shareholder(s), officer(s) or management of the appointed patent agent and/or the staff responsible for handling the application.

For company applicant, the inventor(s), owner(s), shareholder(s), director(s), officer(s) or management of the company applicant(s) shall not have any direct or indirect private interests# in, or have any association or connection with the owner(s), shareholder(s), director(s), officer(s) or management of the appointed patent agent and/or the staff responsible for handling the application.

#Private interests include the financial and other interests of the officer himself/ herself and those of his/her connections including family or other relations, personal friends; the clubs and associations to which he/she belongs, any other groups of people with whom he/she has personal or social ties, or any person to whom he/she owes a favour or is obligated in any way.

The applicant(s) or any inventor(s) shall immediately notify HKPC in writing for any changes in conflict of interest.

The applicant and the patent agent shall observe the Prevention of Bribery Ordinance (Cap. 201) (“PBO”). The applicant and the patent agent should procure his/her/its affiliates, associates or related parties (including without limitation owner(s), shareholder(s), director(s), officer(s), employee(s), agent(s), supplier(s), consultant(s), contractor(s) and other personnel who are involved in the PAG) not to offer, solicit or accept any advantages (as defined in the PBO) when prosecuting the patent application under the PAG. If the applicant, patent agent or their affiliates, associates or related parties (including without limitation owner(s), shareholder(s), director(s), officer(s), employee(s), agent(s), supplier(s), consultant(s), contractor(s) and other personnel who are involved in the PAG) commits any offence under the PBO when prosecuting the patent applications under the PAG, HKPC and the HKSAR Government (“Government”) shall be entitled to withhold, suspend and/or terminate the PAG immediately and hold the applicant and patent agent liable for any and all losses or damage HKPC and the Government may thereby sustain.

Fees and Charges for Patent Application Grant Scheme

Charges on patent search and technical assessment **prior to** funding approval by ITC:

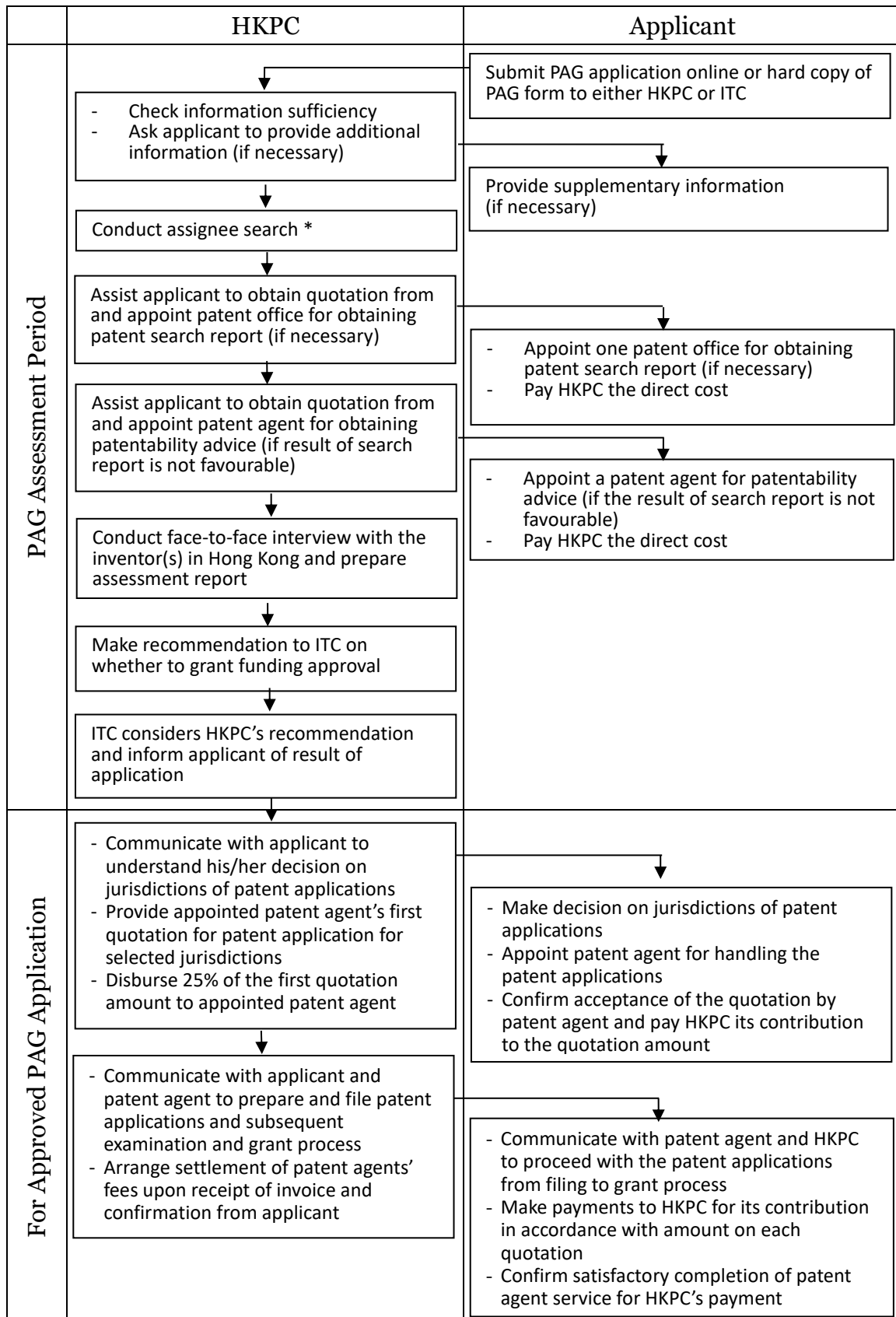
| Activities | Fee(s) Charged by External Agents |
|--|---|
| Obtaining search report from patent office | About RMB2,600 to RMB4,100 for obtaining a search report from CNIPA based on invention written in Chinese, OR About RMB5,000 to RMB8,100 for obtaining a search report from CNIPA based on invention written in English*. |
| Obtaining patentability advice from patent agent (This step is required if the search report is not favourable) | HK\$4,500 or more for preparing and writing the patentability advice by an eligible patent agent. The fee depends on the complexity of the subject invention, distinction of applicant's invention, and volume of relevant prior arts documents searched. |

** Please note that other national Patent Offices, such as Swedish Patent and Registration can also provide patent search report based on English invention disclosures. A separate quotation could be provided upon request by applicants.*

Based on the above table, the direct cost for conducting patent search and technical assessment is approximately in the range of HK\$3,300 to HK\$10,200 depending on the complexity of the search and assessment and the exchange rate of RMB. A higher fee may incur if the search report is not favourable and patentability advice is required from a patent agent to assess the patentability of the invention. As a reference, the cost of a typical patentability advice report is from HK\$4,500. In such case, the total cost for patent search-cum-technical assessment may go to HK\$15,000.

PAG Application Procedure

Annex 2



*Note: Assignee search is to confirm, from existing databases such as Derwent Database, that the PAG applicant is first-time patent seeker