

## **Patent Application Grant (PAG)**

### **Guide for Patent Agents**

#### **Background**

1. The Patent Application Grant (“PAG”) is a funding scheme to assist local companies and individuals to apply for patents of their own inventions. The PAG is administered by the Innovation and Technology Commission with Hong Kong Productivity Council (“HKPC”) as the implementation agent.
2. In the assessment process, 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.
3. If the application is approved, the applicant has to appoint a patent agent to handle the patent application.
4. The PAG will be used to cover the direct cost for patent search-cum-technical assessment, and the direct costs involved in the patent application process, such as attorney fees, consultant fees and official fees for patent application(s) for approved PAG applications. Any costs incurred (including filing of any patent applications by the applicant) before the date of approval of the PAG application will not be reimbursed, except for the fee of patent search-cum-technical assessment conducted by HKPC. The renewal fee of granted patents will also not be covered by the PAG.

#### **Eligibility**

5. To be eligible for appointment as patent agents for the PAG scheme (to provide third party advice on patentability of inventions with unfavourable search report results or to handle patent applications after PAG application approval), the patent agent must provide supporting documents as required by HKPC to demonstrate that it could fulfil the following requirements:
  - (a) has in-house patent attorney/lawyer;
  - (b) has business operation in Hong Kong for more than one year;
  - (c) possesses more than 1-year experience in directly handling patent applications/registrations in Hong Kong, Mainland and/or overseas countries;
  - (d) the patent agent or its in-house patent attorney/lawyer has successfully registered patents for clients; and

- (e) has purchased and maintained sufficient professional indemnity insurance policy with a reputable insurance company or other equivalent arrangement acceptable by HKPC.
6. If (b) or (c) is not met, the patent agent should provide proof that its in-house patent attorney/lawyer possesses at least 3 years' experience in directly handling patent applications/registrations in Hong Kong, Mainland and/or overseas countries.
  7. In addition to the requirements under paragraph 5, the patent agent must not have received any lawsuit due to professional negligence in the past 3 years.
  8. At the time of the first appointment under the PAG scheme, the patent agent is required to provide the documentary proof showing its ultimate equity or beneficial individual owner(s) such as the company's shareholder information recorded in the Incorporation Form (Form NNC1) and latest Annual Return (Form NAR1), to the satisfaction of HKPC.
  9. To ensure the impartiality of patentability advice mentioned in paragraph 2, the applicant is required to appoint another patent agent which has no direct or indirect relationship/association with the patent agent providing the patentability advice to handle the patent application matters after approval of the PAG application.
  10. HKPC will review the eligibility of the patent agent on an annual basis and request for further updated information and documents as it considers fit and necessary. Site visit will be arranged on a regular basis.
  11. The owners, shareholders or management of the patent agent and staff responsible for handling the application should have no direct or indirect pecuniary or other personal interests in, or have any association or connection with the individual applicant or the applicant company.
  12. The background and track record of patent agents will also be taken into consideration.
  13. As the implementation agent, HKPC will consider, assess and review the eligibility of the patent agent and reserves at all times the right to determine whether a patent agent is eligible to be engaged under the PAG.

## **Appointment Procedure**

14. Upon receiving the applicant's instruction to appoint a particular patent agent, HKPC will proceed to review the eligibility of that patent agent.
15. The requirements of confirming the eligibility of a patent agent could be waived if such confirmation was done in the past 12 months.
16. The patent agent should provide the required information together with the documentary proof to the satisfaction of HKPC by the stipulated deadline, failing which the applicant will be invited to select another patent agent.
17. Upon verification and confirmation of a patent agent's eligibility, HKPC will request the patent agent to provide quotation for the patent application cost for the region(s) specified by the applicant.
18. When providing the quotation, the patent agent should confirm whether it will subcontract any tasks to other company(ies) and if yes, provide details including the estimated cost of the subcontractor(s), the details of the tasks, and justifications for doing so.
19. HKPC will review the reasonableness of the quotation and provide advice to the applicant, who will then decide whether the appointment is confirmed or whether adjustments to the quotations are needed.
20. Upon being confirmed its eligibility to be a patent agent under PAG, the patent agent will be required to be registered on HKPC's Suppliers List for PAG.

## **Declaration and Undertaking**

21. At the time of appointment for each PAG application, the patent agent is required to declare and undertake that:
  - (a) all the information including but not limited to invoices and supporting documents it furnished are true, fair, accurate and complete;
  - (b) the owners, shareholders, or management of the patent agent and the staffs responsible for handling the application and its subcontractor(s) are not the individual applicant or the owners, shareholders or management of the applicant company or his/her/their relatives;

- (c) it is not related to the patent agent providing the patentability advice for the same application if involved;
  - (d) it did not receive lawsuit due to professional negligence in the past 3 years;
  - (e) it will keep proper books and records of all documents in connection with the registration of patents funded by the PAG for at least 7 years and make them available to HKPC and the Government for inspection upon request at all reasonable times; and
  - (f) it understands and agrees to comply with all the requirements set out in this Guide.
22. The patent agent shall observe the Prevention of Bribery Ordinance (Cap. 201) (“PBO”) in Hong Kong. The patent agent shall prohibit its directors, employees, agents, suppliers, consultants, contractors and other personnel who are involved in the PAG from offering, soliciting or accepting any advantages (as defined in the PBO) when prosecuting the patent applications under the PAG.

If the patent agent or any of its directors, employees, agents, suppliers, consultants, contractors 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 Government shall be entitled to withhold, suspend and/or terminate the PAG immediately and hold the patent agent liable for any and all losses or damages HKPC and the Government may thereby sustain.

### **Fund Disbursement Procedures**

23. After the applicant accepts the first quotation by the appointed patent agents mentioned in paragraph 18 above, the implementation agent will disburse 25% of the first quotation amount to the appointed patent agent upon confirmation of acceptance from the applicant. The advance payment should be deducted from the invoice corresponding to the quotation. Any unspent balance should be returned to the implementation agent by the date specified. For the subsequent quotations, fund will be disbursed after the completion of work.
24. After the completion of the appointed work, the appointed patent agent should provide invoice with detail breakdown and the following supporting documents for fund disbursement:
- (a) copy of the associate’s invoice;
  - (b) documents prepared/submitted to the patent office;
  - (c) official receipt issued;
  - (d) copy of the subcontractor’s invoice sent to the appointed patent if subcontracting

is involved; and

- (e) documents prepared/submitted by the subcontractor to the patent office if requested by HKPC.
25. The requested fund disbursement would only be made to the patent agent subject to and upon the applicant's confirmation of acceptance of the invoice and satisfactory delivery of service.
26. To ensure that sufficient funding is available for the completion of at least one patent registration after the filing of patent application, a portion of the PAG funding (at least \$70,000 in general) will be reserved for the post-filing stage<sup>1</sup>. Patent agents are advised to communicate with the applicants on the planned use of the PAG funding in the case in advance.
27. The appointed patent agent agrees and acknowledges that HKPC should have the discretion and right to withhold or suspend the fund disbursement if there is any dispute between the applicant and its appointed patent agent.

### **Important Information**

28. HKPC may reject the patent agent intended to be appointed by the applicant if it is not satisfied with the qualification or expertise of the patent agent in handling patent applications.
29. HKPC reserves the right to accept only those quotations on services rendered by the patent agent which are within the general range of market prices to safeguard the prudent use of the public money under the Innovation and Technology Fund.
30. In case of discovery of any untrue, inaccurate or incomplete information furnished or false declaration by the patent agent, HKPC reserves the right to:
- (a) terminate the appointment of the patent agent immediately;
  - (b) reject the appointment of the patent agent for handling further patent applications under PAG;
  - (c) demand the patent agent to return the disbursed funding; and/or
  - (d) take out any legal proceedings against the patent agent as it deems appropriate.

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<sup>1</sup> Post-filing stage refers to all the procedures after the filing stage. The filing stage involves preparation of the patent specification and filing of the patent application(s) to patent office(s). Applicants may seek clarifications from HKPC on the definition in case of doubts.

31. In the event of any dispute or difference arising from the interpretation of this Guide or any matters contained therein, the decision of HKPC thereon shall be final and conclusive.
  
32. HKPC reserves the right to review and amend this Guide from time to time.

Hong Kong Productivity Council  
February 2022