

Speech by FS at Regional High-Level Conference on Intellectual Property Protection (English only)(with photos)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the Regional High-Level Conference on Intellectual Property (IP) Protection today (March 12):

Louise (Commissioner of Customs and Excise, Ms Louise Ho), Director-General Xu Weigang (Director-General of the Economic Affairs Department of the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region), Algernon (Secretary for Commerce and Economic Development, Mr Algernon Yau), David (Director of Intellectual Property, Mr David Wong), heads and representatives of Customs authorities, Consuls-General, ladies and gentlemen,

Good morning. I am delighted to be here for the opening of the Regional High-Level Conference on Intellectual Property Protection.

This three-day event brings together 120 high-profile officials and experts from prominent international organisations and law enforcement agencies in the Asia-Pacific region. I am sure it is an ideal platform for the exchange of knowledge, experience, and valuable insights in the field of intellectual property protection and development.

IP is a driving force for innovation and technological advancement, and holds significant value for businesses. Hong Kong is committed to IP protection and upholds a robust IP protection regime, which is backed by our strong tradition of the rule of law and our continued practice of the common law system under the "one country, two systems" principle.

Our relevant policy bureaux and departments work seamlessly together to ensure that the IP protection regime remains up to date, aligns with the highest international standards, and is strictly complied with. Hong Kong Customs stringently enforces IP laws, continuously engages stakeholders, and actively educates the public. It has also forged close partnerships with regional law enforcement agencies to strengthen IP protection.

Beyond IP protection: Hong Kong as a regional IP trading centre

Looking to the future, Hong Kong is firmly on its way to becoming the regional hub for IP trading, a role entrusted to us by the Central People's Government in its National 14th Five-Year Plan.

Hong Kong has a multitude of advantages that propel us forward in this direction. Beyond the rule of law and a strong IP protection regime, our legal services also stand out. We have a deep pool of outstanding legal

talent. We are also the only jurisdiction in the world that practises common law in both Chinese and English. These and other strengths give us a unique advantage in assisting in the resolution of related disputes in the region.

Moreover, there is the dynamic development of the innovation and technology (I&T) sector in Hong Kong and the Greater Bay Area (GBA). According to the World Intellectual Property Organization (WIPO), Hong Kong, Shenzhen and Guangzhou together have remained the second-largest global science and technology cluster for four consecutive years.

Building upon the substantial investments made over the years, Hong Kong has devised a comprehensive blueprint to guide our further development in this field.

We actively encourage the transformation and commercialisation of R&D (research and development) outcomes. We are promoting new industrialisation through favourable policies and support schemes. And we are actively attracting strategic enterprises in fields such as artificial intelligence, life and health technology, new materials and advanced manufacturing to come to Hong Kong.

Meanwhile, we are also stepping up collaboration with sister cities in the GBA. That includes the establishment of a joint I&T park in Hetao along the boundary with Shenzhen, where a more expedient flow of personnel, data, capital and other factors of production will be experimented.

These developments will create a surge in demand for IP registration and trading, which in turn will encourage further creation and exploitation of IP from our academic and research institutions, as well as innovators. In short, I&T development and IP trading are indeed mutually reinforcing.

Hong Kong is eager to seize the opportunities there for us. Over the past three years, the Intellectual Property Department has granted an average of more than 10,000 standard patent registrations annually. That's a clear indication of the bright potential of the IP trading market in Hong Kong. And we are just getting started.

In last year's Budget, we announced the introduction of the "patent box" tax incentive. It will offer tax concessions for qualifying profits sourced in Hong Kong and derived from IP assets created through R&D. The relevant profits-tax rate will be reduced to only 5 per cent. The related legislation will be presented to the Legislative Council in the coming months.

This year's Budget also allocates additional resources to IP capacity building and talent development. Notably, we will dedicate around \$45 million to support the establishment of a WIPO Technology and Innovation Support Centre in Hong Kong. It will offer the I&T sector a range of specialised services, including patent search and analysis, consultation services on protecting scientific research outcomes, management and commercialisation strategies, and more.

We are also allocating some \$12 million for the introduction of regulatory arrangements covering local patent-agent services. We are committed to enhancing the professionalism of the sector and supporting the original grant patent system.

Concluding remarks

Ladies and gentlemen, for all these developments and bright prospects, we will need robust IP protection. With that in mind, I look forward to the inspiring ideas, insights and opportunities for regional co-operation over the course of this three-day gathering.

Last but not least, I wish you all a fruitful Conference, with good time to enjoy Hong Kong. I also wish you the best of health and business in 2024. Thank you.

