

## Major findings of Survey on Intellectual Property Trading

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The Intellectual Property Department (IPD) announced today (June 30) the results of the Survey on Intellectual Property (IP) Trading.

The Survey was commissioned by the IPD in June 2014 to collect information on IP trading activities in Hong Kong. The Survey covered establishments in selected industries in which IP-related businesses are likely to be prevalent. These establishments were classified into two main groups, namely (a) IP intermediaries and (b) IP creators/owners/users. A total of 2 329 establishments were successfully enumerated in the Survey. These comprised 437 IP intermediaries and 1 892 IP creators/owners/users.

The Survey collected opinions and quantitative information from the surveyed establishments on four major aspects in relation to their IP trading activities:

- (1) the scope of IP-related services/activities conducted;
  - (2) the number of persons engaged in IP-related activities;
  - (3) business receipts generated by and the expenses incurred in IP-related businesses;
- and
- (4) respondents' views on the development of IP trading in Hong Kong.

The Director of Intellectual Property, Ms Ada Leung, said, "The Survey on IP Trading is the first study on this topic with an objective to understand the current situation of IP trading activities in Hong Kong. We note the majority of the respondents opined that IP trading could enhance economic growth in Hong Kong. We will use the relevant statistical data and other information gathered in formulating policies and identifying suitable measures to support the development of IP trading in Hong Kong."

IP intermediaries were grouped under two categories in the Survey, namely the legal services industry and other industries. The findings showed that 37.6 per cent of the establishments in the legal services industry provided IP intermediary services. Of these establishments that provided IP intermediary services, the majority of them provided IP registration services (74.6 per cent of the establishments) and IP litigation services (68.6 per cent of the establishments). In relation to IP intermediaries in other industries, the Survey covered 197 establishments of which 67 per cent provided IP registration services. Other services provided by these IP intermediaries

included IP arbitration and mediation, due diligence, matching services, valuation, litigation, financing and insurance.

For IP creators/owners/users, the Survey covered establishments in nine selected sectors that are likely to be active in IP-related business. The findings showed that over 70 per cent of the establishments in six of the sectors were engaged in IP activities that were mainly related to IP creation. Other activities included IP registration, buying and selling, licensing/sub-licensing and enforcement of IP rights.

Regarding the number of persons engaged in IP-related activities, the findings showed that about 2 700 persons in the legal services industry and about 1 600 persons in the surveyed IP intermediaries in other industries were involved in providing IP intermediary services. For IP creators/owners/users, the total number of persons engaged in IP creation and IP management in the nine surveyed sectors were about 19 100 and 15 400 respectively.

As regards business receipts generated from IP-related business, it was estimated that such receipts represented 12 per cent of total business receipts of the legal services industry in 2013 and 37.6 per cent of that of the surveyed IP intermediaries in other industries. For IP creators/owners/users, their IP trading receipts were mostly related to the licensing/sub-licensing of IP rights and outright sale of IP rights. Such receipts varied across the surveyed sectors and they accounted for 58 per cent of the total business receipts of the "sound recording and music publishing" sector which was the highest among the sectors. This was followed by the "computer programming" and "motion picture, video and TV programme production/distribution" sectors, of which the relevant figures were 42.9 per cent and 37.3 per cent respectively.

With respect to the challenges in the development of IP trading, "staff experience/knowledge" was commonly cited as a major challenge by the respondents that had engaged in IP trading. Other challenges identified include "awareness of IP trading among clients", "IP users' willingness in paying royalties" and "finding suitable IP users/buyers".

The major findings of the Survey are available on the dedicated website "Hong Kong - the IP Trading Hub"

(<http://www.ip.gov.hk/en/resources/survey-on-ip-trading.html>).

Ends/Tuesday, June 30, 2015