



State Intellectual Property Office
of the People's Republic of China

The New Chinese Patent Law as entered into force in 2009

State Intellectual Property Office of
P.R.China
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The patent system of China has been established with the adoption of the reform-open policy in China.

The Standing Committee of the National People's Congress approved the Chinese Patent Law on March 12, 1984. This law took effect on April 1, 1985.



Features of Chinese Patent System (1)

- “Three In One”

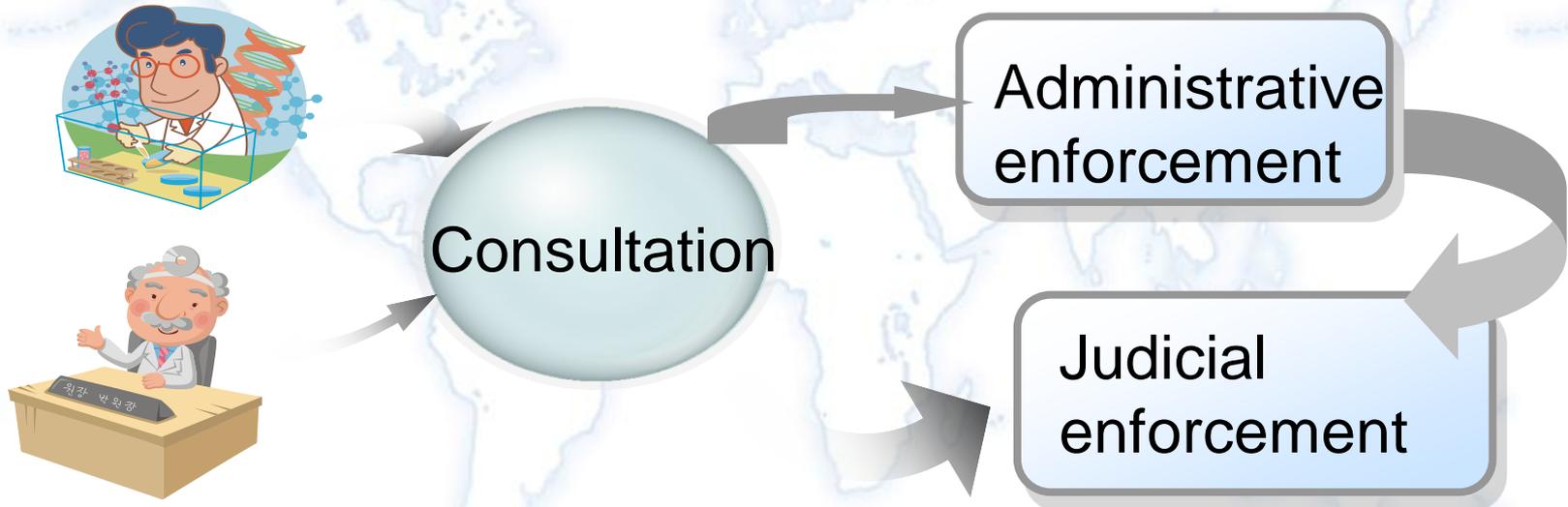
Type	Examination Procedure	Duration of Patent Right
Patent for Invention	Examination as to Substance	20 years from the filing date
Patent for Utility model	Preliminary Examination	10 years from the filing date
Patent for Design	Preliminary Examination	10 years from the filing date



Features of Chinese Patent System (2)

– “Two Tracks”

- Handle Patent Infringement Disputes





History of Chinese Patent Law

- The Chinese Patent Law was adopted on Mar 12, 1984, and came into force on Apr 1, 1985.
- The first amendment was adopted on Sep 4, 1992, and entered into force on Jan 1, 1993.
- The second amendment was adopted on Aug 25, 2000, and entered into force on Jul 1, 2001.
- The third amendment was adopted on Dec 27, 2008, and entered into force on Oct 1, 2009.



The Main Points of the first Revision(1992)

- Enlarging the scope of patentable subject matter to cover pharmaceuticals and materials obtained by chemical process.
- Prolonging the term of patent protection, for invention to 20 years , for utility model or industrial design to 10 years.



The Main Points of the first Revision(1992)

- Conferring the patentee with the right to prohibit others from importing patented products without his permission
- Extending the legal effect for patented process to the products obtained directly by the patented process.
- Replacing the pre-granting opposition procedure by the post-granting revocation procedure.



The Main Points of the second Revision(2000)

- Canceling the revocation procedure to eliminate its actual duplication with and possible conflicts with the procedure of invalidation
- Putting the decisions made by the Reexamination Board concerning utility model and design patent application and patent to be subject to judicial review
- providing search report for utility model patent so as to help court to handle patent infringement cases



The Main Points of the second Revision(2000)

- Empowering administrative authority to order infringers to stop immediately the infringement and to punish the activities based on counterfeit patent
- Adding provision on methods for calculation of damages



The purpose of the third revision

- further improving the patent system
- fulfilling the goal raised by the National Intellectual Property Strategy
- promoting the construction of the innovative nation and securing the sustainable development of China
- exercising the rights granted by international treaties



In Jan. 2005, SIPO officially launched the preparations for the third revision of the Patent Law. Through extensive collection of relevant suggestions, comprehensive comparative study, and fully consideration of China's specific situations, 40 research reports (amount 2.6 million words totally) had been finished.

Based on these reports and consultation meetings with experts and representatives from various aspects, SIPO submitted the proposed draft of revision to the State Council for its approval by the end of 2006.



The review on SIPO's proposal by the State Council began in Jan. 2007. On the basis of receiving opinions from 72 central departments, 35 local governments, 14 local courts, more than 20 enterprises and institutions, and many experts and scholars, the bill of revising the Patent Law was submitted to the Standing Committee of the National People's Congress for its approval in August 2008 .



The National People's Congress began its review on the Bill of revising the Patent Law in August 2008. Based on researches and a number of consultations with domestic and foreign experts, the Standing Committee of NPC adopted the revision on Dec. 27 2008. The amended Patent Law took effect on Oct. 1 2009.



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The Standing Committee of the National People's Congress approved the bill of revising Chinese Patent law in 2008.





During the revising procedure of the Patent Law, SIPO as well as the legislation bodies solicited comments and suggestions from various aspects, including the comments from foreign governmental agencies, industry associations and international organizations, which fully demonstrated the democracy and transparency in the legislation of China.



Major Changes in the Patent Law

1. Clarify the co-ownership of patent rights:

- Add provisions on exploitation of the co-owner's right

2. Enhance the quality of the grant of patent rights and improve the relevant requirements:

- Adopt Absolute novelty criterion
- Protect genetic resources and indicate the source of GR
- Improve confidentiality examination for filling patent application abroad



3. Improve the design patent system

- Require a “ Brief description ” as the necessary part of the design application
- Adjust the principle for determining the protection scope of the patent right for design
- Exclude the plane presswork of logo design from the patentable subject matter
- Enhance the requirements for granting design patent
- Allow applicant to file a single application for similar designs



4. Strengthen the protection of patent right:

- Adjust the calculation method for the amount of compensations for infringement
- Add provisions on preservation of evidence before litigation
- Enhance the administrative enforcement against patent passing-off
- Allow the patentee to prohibit the activities of offering for sale of patented designs



5. Safeguard the legitimate rights and interests of the public

- Improve the provisions on compulsory license
- Allow “Parallel importation” of patented products
- Add provisions of “Bolar exception”
- Add “Defense of prior art” in patent infringement litigation

6. Build up service orientated government:

- Cancel the designation of foreign-related patent agencies
- Add dissemination of patent information as a responsibility of SIPO so as to facilitate invention and creation



Exploitation of co-owned rights

- When there is agreement: follow the agreement
- When there is no agreement:

Acts may be done by each co-owner:

independently exploit the patent

grant non-exclusive license

shall distribute licensing royalty among others

Acts needs consensus by all co-owners:

any other exploitation such as to assign or withdraw or
abandon the patent application or patent right



Article 22 and 23 expands the scope of prior art by abolishing the territorial restrictions.

The prior art means any technology or design known to the public by any means in this country or abroad before the date of filing.

Article 22 and 23 expand the scope of “conflict application” to a previous patent application of identical invention or utility model filed by any person instead of by others.



- No patent right shall be granted for an invention-creation of which the acquisition or exploitation of genetic resources violates the relevant laws and administrative regulations of the State and the completion of the invention-creation depends on the said genetic resources. (A5.2)
- For an invention-creation, the completion of which depends on genetic resources, the applicant shall indicate the direct source and original source of said genetic resources in the application documents.(A26.5)



- The genetic resources referred to in the Patent Law mean the material obtained from such as human body, animal, plant, or microorganism which contains functional units of heredity and is of actual or potential value. (R26.1)
- The invention-creation is developed relying on the genetic resources referred to in the Patent Law means that the invention-creation is developed relying on the use of the heredity function of the genetic resources.(R26.1)



- Direct source of the genetic resources referred to in the Patent Law means the direct channel to obtain the genetic resources.
- Original source of the genetic resources referred to in the Patent Law means the place in the in-situ conditions where the organism to which the genetic resources belong is collected.
- Where an application for patent is filed for an invention-creation the development of which relies on the use of genetic resources, the applicant shall state that fact in the request, and fill in the forms provided by the patent administration department under the State Council.(R26)



Confidentiality examination (A20)

- Delete the requirement that any Chinese entity or individual who intends to file a foreign patent application must file an application in China
- Replace it with a mandatory advance confidentiality examination by SIPO before an patent application filing abroad for an invention/utility model developed in China.
- Failure to comply with this requirement will result in the non-patentability of the respective invention in China (rejection or invalidation).
- The invention or utility model developed in China refers to an invention or utility model of which the substantive contents of the technical solution were made within the territory of China. (R8)



Request for confidentiality examination (R8)

- To file a request (at the time or after filing an Chinese application);
- To file a request and describe the related technical solution in detail (not filing Chinese patent application);
- Filing an international patent application is deemed to have simultaneously filed the request



Procedure of confidentiality examination (R9)

- The SIPO will carry out the confidentiality examination.
- If the invention or utility model may relate to the security or vital interest of the State and is required to be kept secret, a notification will be promptly issued.
- A decision on whether the invention or utility model is required to be kept secret will be made and notified to the applicant promptly.
- The applicant can file abroad when gets an approval or fails to receive a notification mentioned above within 4 months or a decision mentioned above within 6 months from the date of filing the request.



Improve the design patent system

- Exclude the plane presswork of logo design from the patentable subject matter (A25)
- Enhance the requirements for granting design patent (A23)
- Allow applicant to file a single application for similar designs (A31)
- Require a “ Brief description ” as the necessary part of the design application (A27)
- Adjust the principle for determining the protection scope of the patent right for design (A59)
- Build up the evaluation report system for design patent (A61)



- The protection scope for design patent is determined by drawings or photographs with the interpretation of brief description. Therefore, a brief description of the design shall be submitted with the application.(A59, A27)
- No patent right shall be granted to two-dimensional designs made of patterns, colors or their combination, mainly for the purpose of indication.(A25.1)



- The criteria for granting design patent has been raised (A23)
 - adopting “absolute novelty” standard
 - adding “conflict application” provision
 - adding requirement similar to “inventive step” for invention patent
- Following can be filed in one application for a design patent (A31)
 - two or more similar designs for the same product
 - two or more designs which are incorporated in products belonging to the same class and are sold or used in sets



Strengthen the protection of patent right

- The calculation of damage compensations (A65)
- Expand the rights for design patentee (A11)
- Pre-litigation injunction(A66)
- Pre-litigation evidence preservation (A 67)
- Clarified scope of patent passing off(R84)
- Increased penalty for patent passing off (A63)
- Additional functions and authorities of the administrative bodies to investigate passing off cases (A64)



- The calculation of damage compensations (A65)
 - the losses suffered by the patentee
 - the profits which the infringer has earned
 - the appropriate multiple of the royalty fee
 - the reasonable expense to stop the infringing act
- Statutory damage compensation:
 - RMB 10,000 yuan - RMB 1,000,000 yuan.



After the grant of the patent right for a design, no entity or individual may, without the authorization of the patentee, exploit the patent, that is, make, offer to sell, sell or import the product incorporating its or his patented design, for production or business purposes. (A11.2)



Pre-litigation injunction (A66)

- when irreparable harm is likely caused if the alleged infringement is not prevented from occurring in time
- providing security is required
- the decision shall be made within 48 hours (can be delayed for 48 hours) and be enforced immediately
- the injunction will be removed if no lawsuit is initiated within 15 days



Pre-litigation evidence preservation (A 67)

- when evidences might become extinct or hard to obtain hereafter
- providing guarantee may be required
- the decision shall be made within 48 hours and be enforced immediately
- the preservation measures will be removed if no lawsuit is initiated within 15 days



Clarified scope of patent passing off(R84)

- (1) affixing patent indication on a product or on the package of a product which has not been granted a patent, continuing to affix patent indication on a product or on the package of a product, after the related patent right has been declared invalid or is terminated, or affix the patent number of another person on a product or on the package of a product without authorization ;
- (2) sale of the product as prescribed in subparagraph (1);
- (3) indicating a technology or design to which no patent right has been granted patent right as patent technology or patented design, indicating a patent application as patent or using the patent number of another person without authorization in such materials as specification of product etc., which could mislead the public to regard the related technology or design as patented technology or patented design;



Clarified scope of patent passing off(R84)

- (4) counterfeiting or transforming any patent certificate, patent document or patent application document;
- (5) any other act which might cause confusion on the part of the public, misleading them to regard a technology or design to which no patent right has been granted as patented technology or patented design.
- Affixing patent indication legally on a patented product, or on a product directly obtained by a patented process or on the package of such products before the termination of the patent right, offering for sale or sale of such products after the termination of the patent right is not an act of passing off a patent.



- Additional functions and authorities of the administrative bodies to investigate passing off cases (Article 64)
 - inquire the parties involved
 - investigate the facts carry out an on-the-spot inspection
 - inspect and duplicate the contracts, invoices, account books and other relevant materials
 - examine the products related to the illegal act
 - seal up or seize the products that pass off a patent
- Increased penalty for patent passing off (A63)
 - illegal earnings will be confiscated
 - a penalty of 4 times of illegal income
 - when no illegal income, a fine of up to 200,000 yuan



Grounds for granting compulsory license

- no/insufficient exploitation
- to eliminate or reduce the negative influence of an anti-monopoly conduct to competition
- when a national emergency or an extraordinary state of affairs occurs, or the public interest so requires
- for the purpose of public health to manufacture and export a medication
- dependent patents



- Where the patentee, after the expiration of three years from the date of the grant of the patent and the expiration of four years from the date of filing, does not or does not sufficiently exploit the patent without any justified reason , a compulsory license to exploit the patent can be granted. (A48)
 - To exploit the patent means
 - To make, use, offer to sell, sell or import the patented product, or use the patented process, and use, offer to sell, sell or import the product directly obtained by the patented process, for production or business purposes
 - Insufficient exploitation means
 - The manner or scale of the exploitation of patent by the patentee and/or the licensee authorized by it or him cannot satisfy the demands of the domestic market for the patented product or patented process (R73)



For the purpose of public health, the Patent Administration Department Under the State Council may grant a compulsory license to manufacture and export a medication which has been granted patent rights to countries or regions that satisfy the provisions of relevant international treaties entered into by the People's Republic of China. (A50)

The amendment of Article 57 exempts the importer from the obligation to pay the exploitation fee when a compulsory license is granted for manufacturing and exporting medication for the public health purpose so that the provision as a whole complies with the Protocol to Amend the TRIPs Agreement.(A57)



- **Pharmaceutical Product in Article 50**
 - any patented product, or product directly obtained by a patented process, of pharmaceutical sector needed to address public health problems, including the patented active ingredients necessary for the manufacture of the product and the diagnostic kits needed for its use (R73)

- **Requirement for granting a compulsory license in accordance with Article 50**
 - shall also comply with the provisions of the relevant international treaties on granting compulsory license for the purposes of addressing public health issue, to which China is party, except for provisions on which China has made reservation (R74)



- Allow “parallel import” (A69)
 - condition: relative goods were sold by the patentee or any entity or individual with the authorization of the patentee
 - relative goods: a patented product or a product that was directly obtained by using a patented process
 - actions not deemed as infringement:
 - uses, offers to sell, sells or imports



- Add Bolar exception(A69)
 - condition: for the purposes of providing the information needed for the administrative approval
 - Actions not be deemed as infringement:
 - manufactures, uses or imports a patented medication or a patented medical apparatus
 - manufactures, imports or sells a patented drug or a patented medical apparatus solely to the person conducts actions above



Prior art defenses(A62)

In a patent infringement dispute, where the accused infringer has evidences demonstrating that the technology or design exploited by it or him belongs to prior art or prior design, the said exploiting act shall not be constituting an infringing act.



Abolish the designation of foreign related patent agency(A19.1)

Where any foreigner, foreign enterprise or other foreign organization having no habitual residence or business office in China applies for a patent, or has other patent matters to attend to, in China, it or he shall appoint a patent agency legally instituted to act as his or its agent.



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Thank you!