



**BOEHMERT & BOEHMERT**

ANWALTPARTNERSCHAFT mbB

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# Patent strategy in China from a European perspective



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Chinese Patent Attorney

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# Biography

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- 1998-2005, Bachelor and Master, Biotech, Nanjing Universtiy
- 2005-2009, Licencing Manager & IP Manager
  - **Technology Transfer Office** of Nanjing University ([ttc.nju.edu.cn](http://ttc.nju.edu.cn))
- 2009-2011, Master, Biotech, Technical University of Munich
- 2011-2015, IP engineer, IP law firms in Munich



# Content

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- Chinese patent system
- Statistics in SIPO
- Prosecution
- Comparison between SIPO and EPO
- Enforcement in China



# CHINESE PATENT SYSTEM



# Obtain Patent protection in China

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## Chance

- Big market
- Infrastructure
- Skilled, qualified labor
- “Still“ a low-wage country

## Risk

- Technology diffusion
- Piracy
- Enforcement



# Chinese national IP system

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- A very efficient bureaucratic system, especially in patent administrative bureau
  - Outline of National Intellectual Property Strategy (2008)
  - National Patent Development Strategy, from 2011 to 2020
  - Annual Implementation Plans for National Patent Development Strategy 2011-2015



# Chinese national patent laws

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- The origin
  - “The German Patent and Trademark Office has offered great support and help for the development of the patent undertaking in China”  
  
---Commissioner of SIPO



# National patent laws

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- Patent Law (1984, amendments in 1992, 2000, 2008)
- Rules for the Implementation of the Patent Law (2001, amendments in 2002, 2010)
- Provisions Concerning the Implementation of the Patent Cooperation Treaty in China (1994)
- Notice Concerning Deposited Biotechnological Material for Patent Process (2015)

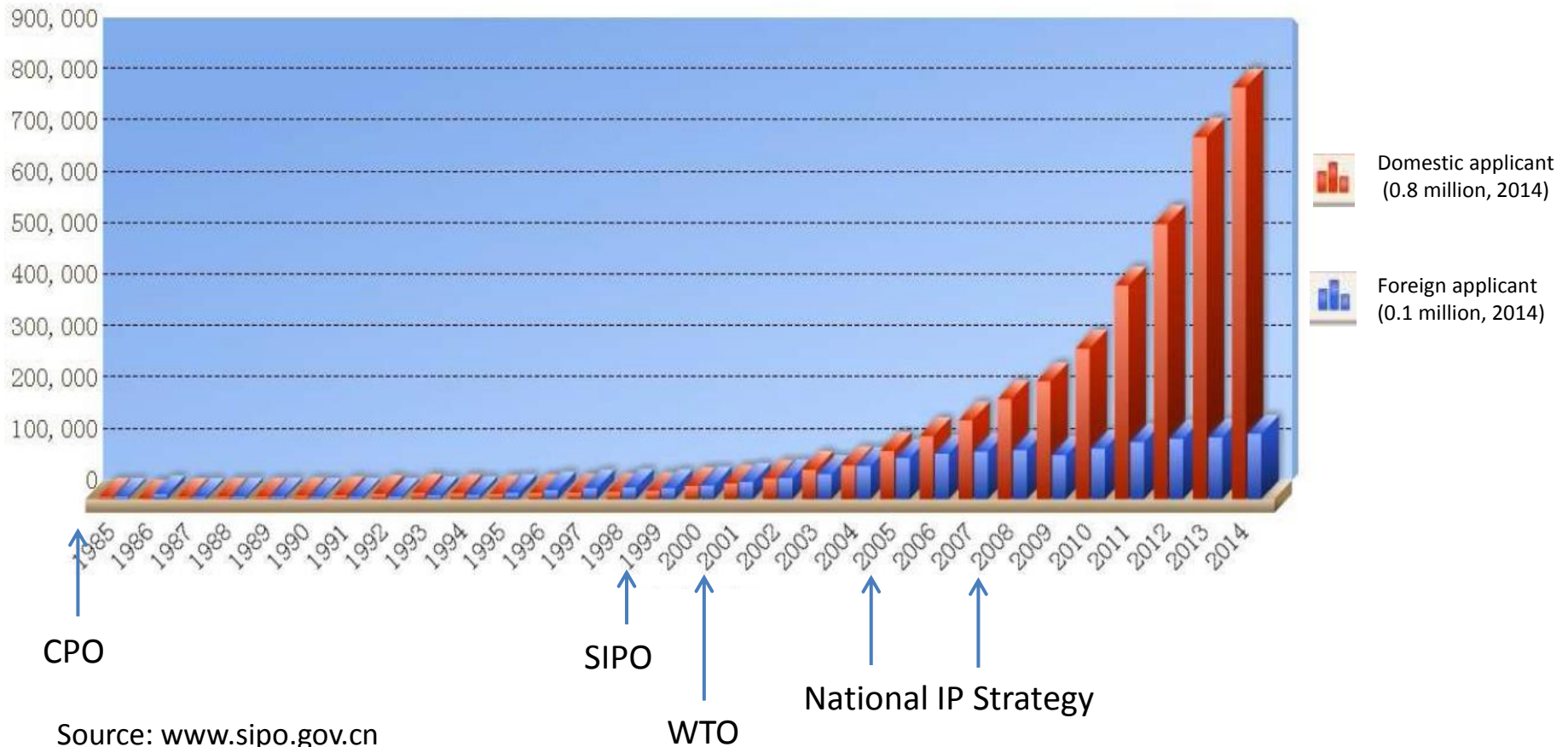




# STATISTICS IN SIPO

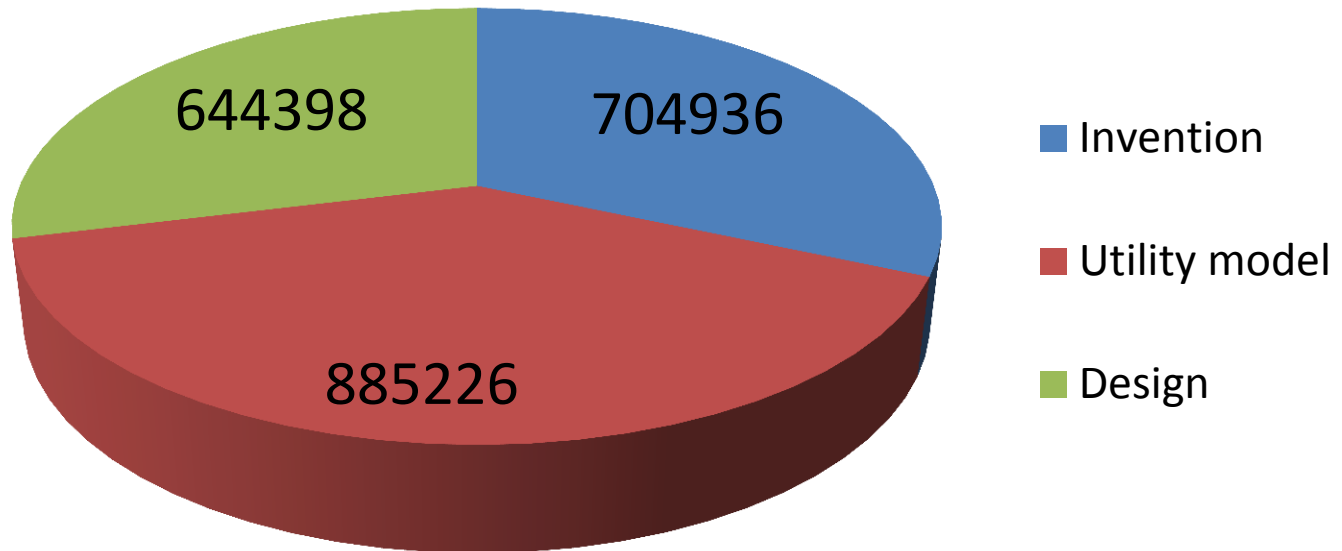
# Statistics in SIPO

Number of received Invention Patent applications from 1985-2014



# Statistics in SIPO

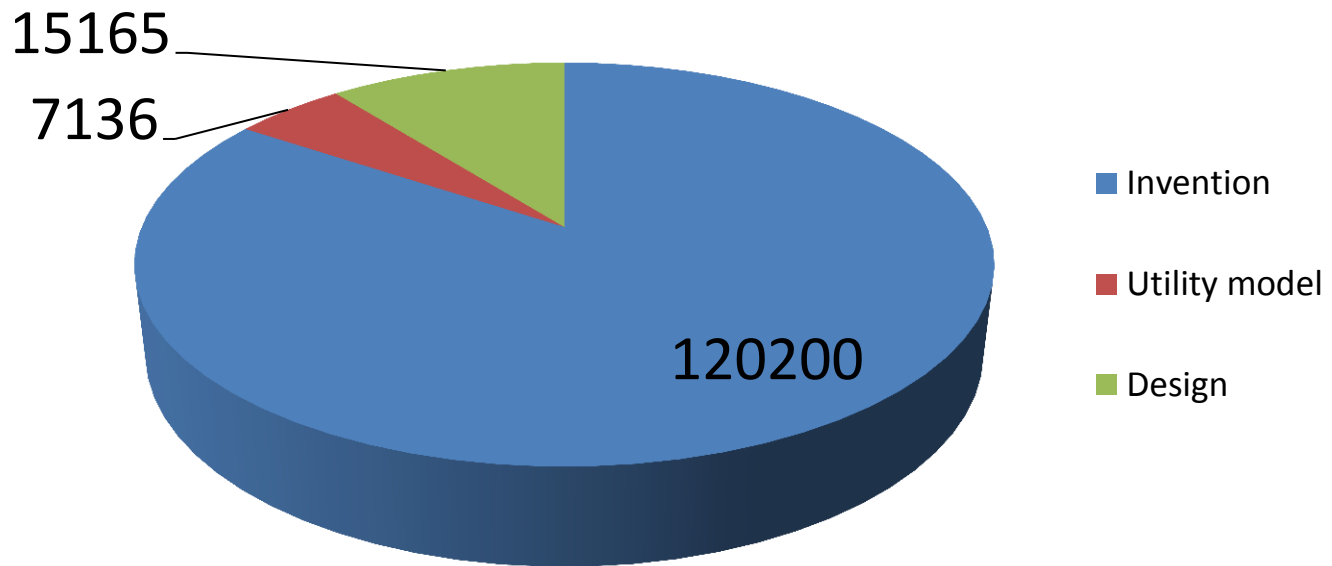
Applications for three kinds of Patents 2013  
(from domestic applicants)



Source from: [www.sipo.gov.cn](http://www.sipo.gov.cn)

# Statistics in SIPO

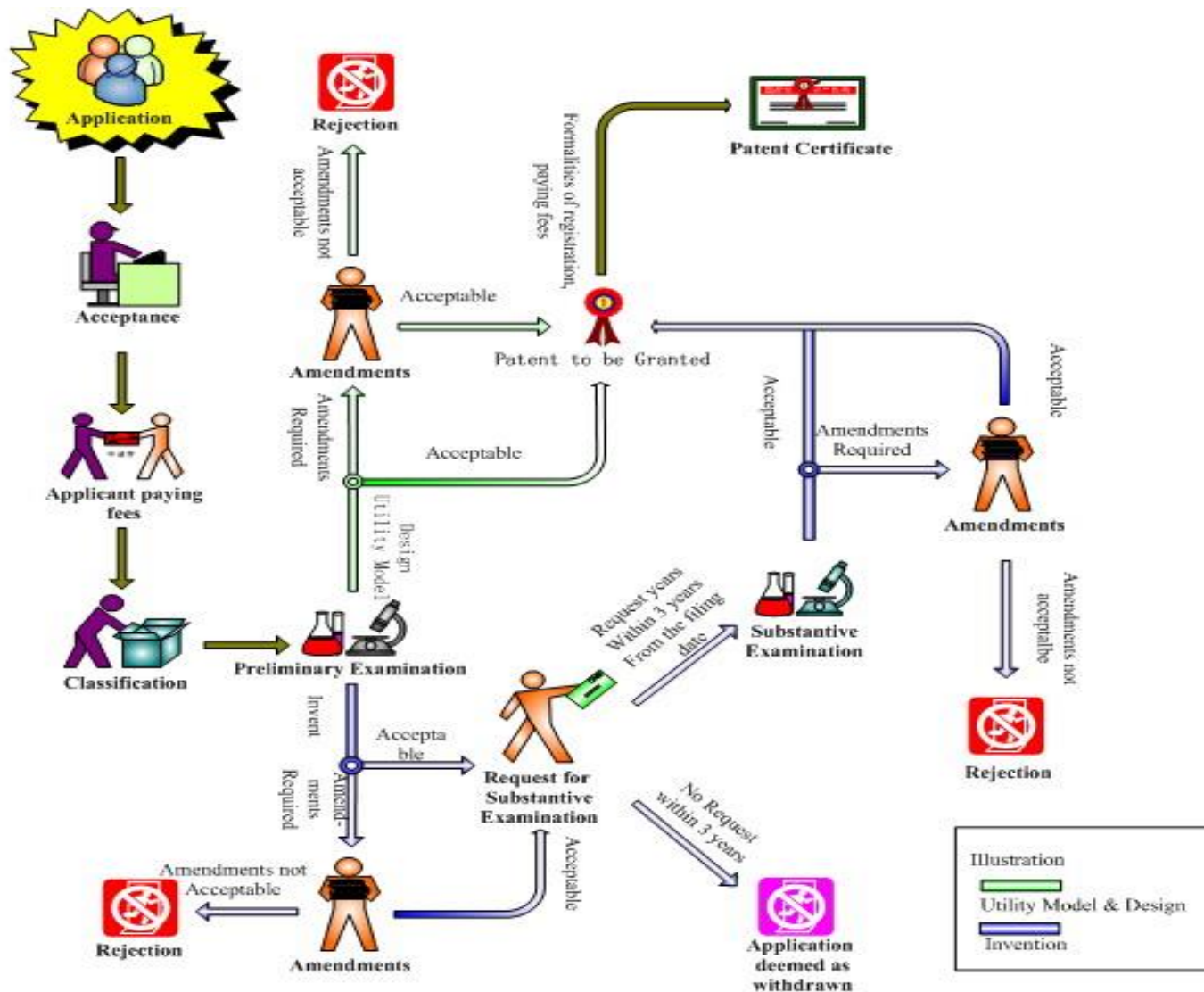
Applications for three kinds of Patents 2013  
(from foreign applicants)



Source: [www.sipo.gov.cn](http://www.sipo.gov.cn)



# PROSECUTION



Source of photo: [www. Sipo.gov.cn](http://www.Sipo.gov.cn)



# What types of patent will be granted?

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Type of Patent	Term (Years)
Invention	20
Utility Model	10
Design	10



## What are unpatentable subject-matter?

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- Article 5
  - Violation of the law or social ethics, or harm public interests
  - Inventions that are accomplished by relying on genetic resources which are obtained or used in violation of the provisions of laws and administrative regulations.





# What are unpatentable subject-matter?

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- Article 25
  - (1) scientific discoveries;
  - (2) rules and methods for intellectual activities;
  - (3) methods for the diagnosis or treatment of diseases;
  - (4) animal or plant varieties;
  - (5) substances obtained by means of nuclear transformation;
  - and
  - (6) designs that are mainly used for marking the pattern, color or the combination of the two of prints.



# Filing language

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- China
  - The application should be in Chinese
- EPO
  - EN, DE and FR or any other languages with translation offered (Art. 14(2))
- Germany
  - German or any other languages with translation offered (Sec. 35a(1))



# Filing

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- Direct Filing
  - No time limit
- PCT
  - 30 month
    - +2 months with paying a surcharge for the late entry
    - Force majeure (within 2 months after removal of the cause of non-compliance with the period and within 2 years of expiry of the unobserved time limit)
- Paris Convention
  - 12 month



# Publication

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- Normal publication: 18 months after filing
- Early publication: Applicants can request early publication

(Article 34, Patent Law)

- Provisional protection: Article 13 and 68, but only after the patent application is granted, the properiter can claim appropriate roalty (no damage)



# Substantive Examination

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- Upon request by the applicant within 3 years from filing date (Article 35(1))
  - In practice it only starts after the application is published
- SIPO only starts search after request of substantive examination
  - No search fee
  - Fee of Substantive Examination must be paid



# Taiwan, Hongkong and Macau

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- Taiwan (Chinese Taipei)

<b>Paris Convention</b>	-
<b>PCT</b>	-
<b>WTO</b>	×

- Only 12 months time of claiming priority!
- Mutual recognition of priority between Taiwan and mainland China (2010)



# Hongkong and Macau

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- Hongkong and Macau are both WTO member
- PCT and Paris Convention both apply
- Grant in HK bases on grant in designated offices
  - China
  - UK
  - EPO (UK designated)
- Grant in Macau
  - Examination in SIPO or Extension of patent granted in SIPO



# Third party opinion

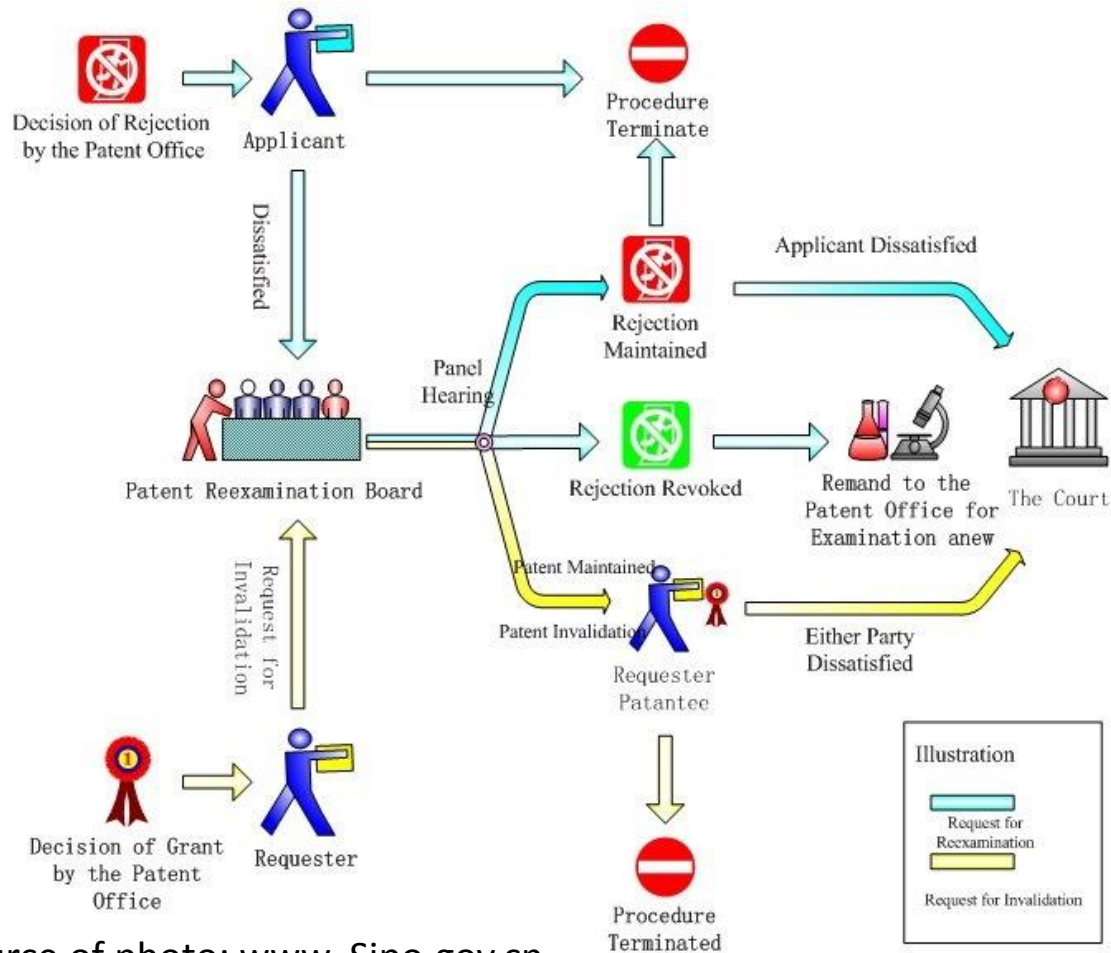
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- Any person may, from the date of publication of an application for a patent for invention till the date of announcing the grant of the patent right, submit to the patent administration department of the State Council his or its observation, with reasons therefor, on the application which is not in conformity with the provisions of the Patent Law.

➤ Rule 48



# Requests for Reexamination and Invalidation



Source of photo: [www.Sipo.gov.cn](http://www.Sipo.gov.cn)



# SOME DIFFERENCES BETWEEN SIPO AND EPO



# Comparison: Claim dependency

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## SIPO

- ~~Claim 4 according to claim 1, 2 and 3.~~
- Claim 4 according to claim 1, 2 or 3.
  - ~~Claim 5 according to claim 4, 3, or 2~~

## EPO

- Claim 4 according to claim 1, 2 or 3.
  - Claim 5 according to claims 4, 3, 2 or 1



# Comparison: Optional feature

## SIPO: Forbidden

- A cosmetic compound comprising A, B, C and D, wherein A is from 15 to 25 wt%, B is from 15 to 35 wt%, C is from 10 to 45 wt% and D is 25 wt%,  
**preferably** A is 25 wt%, B is 25 wt%, C is 25 wt% and D is 25 wt%.

## EPO: No limiting effect

- A cosmetic compound comprising A, B, C and D, wherein A is from 15 to 25 wt%, B is from 15 to 35 wt%, C is from 10 to 45 wt% and D is 25 wt%,  
**preferably** A is 25 wt%, B is 25 wt%, C is 25 wt% and D is 25 wt%.



# Comparison: Equivalent

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## SIPO

- A natural substance destroys the novelty of a invented substance only when it is disclosed in a reference document and is identical with or directly equivalent to the invented substance in structure and morphology.
- Guidelines II-10/5.1 (SIPO)

## EPO

- Well-known equivalents
  - this is a matter of obviousness
- Guidelines G-VI/2 (EPO)



# Comparison: Medical use

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## SIPO

- Swiss type claim still applies
  - Use of a substance or composition X for the manufacture of a medicament for therapeutic application on disease Z

## EPO

- Substance X for use as a medicament
- Substance X for use in the treatment of disease Y
- Dosage regime

# Comparison: Patentable biotechnological inventions



## SIPO

- An embryonic stem cell of an animal, an animal at the various stages of its formation and development, such as a germ cell, an oosperm, an embryo and so on, belong to the category of the “animal variety” and thus unpatentable in accordance with Article 25.1(4).
- Guidelines, II-10/9.1

## EPO

- Biotechnological inventions shall also be patentable if they concern: Plants or animals if the technical feasibility of the invention is not confined to a particular plant or animal variety
- Rule 27 (b)



# Comparison: Patentable biotechnological inventions

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- A single plant and its reproductive material (such as seed, etc.), which maintains its life by synthesizing carbohydrate and protein from the inorganic substances ... and so on through photosynthesis, belong to the category of the “plant variety“ and thus unpatentable
- Transgenic animal or plant is those obtained by biological method, such as DNA recombination technology of the genetic engineering. The animal or plant per se still belongs to the category of the „animal variety“ or „plant variety“ ... thus unpatentable
  - Guidelines, II-10/9.1 (SIPO)





## Comparison: Sufficient disclosure

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### Stricter approaches for sufficient disclosure from SIPO

- SIPO: If a person skilled in the art is unable, on the basis of the prior art, to predict that said use or action stated in the invention can be carried out, the qualitative or quantitative data of the laboratory test **(including animal test) or clinical test** shall be sufficiently provided for the person skilled in the art to be convinced that ...



# Comparison: Amendments

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- The applicant may amend the applicaiton on his own initiative when:
  - Requesting for substantive examination or, within **three months** from the date of receipt of the notification for entering substantive examination
  - Two months from the date of filing for utility model or design

– Rule 51



# Postgrant Amendments

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- Attention!
- ✓ The amendments during invalidation proceeding are restricted to claim
- ✓ No introduction of technical features which was not contained in the granted claim
- ✓ The amendments on the granted claim set are generally limited to deletion of a claim, combination of claims and deletion of a technical solution
  - Guidelines, Part IV-3/4.6



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# Enforcement and effectively protected client's right



## Administrative system

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- SIPO: State Intellectual Property Office
- Administration department for patent-related work, they are:
  - IP Offices from the local governments (provincial and municipal level)



# Administrative system

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- SIPO
  - Right of awarding compulsory licence (Article 48-58)
  - Patentability report on utility model and design (Article 61)
  - Invalidation procedure (Patent Reexamination Board)



## Administrative system

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- Administration department for patent-related work
  - Right of mediation for infringement cases (Article 60)
  - Right of confiscating the unlawful income or imposing a fine up to 200,000 RMB from counterfeit of a patent (Article 63)
  - Right of sealing or detaining the products that are proved to be produced by the **counterfeited** patent (Article 64)



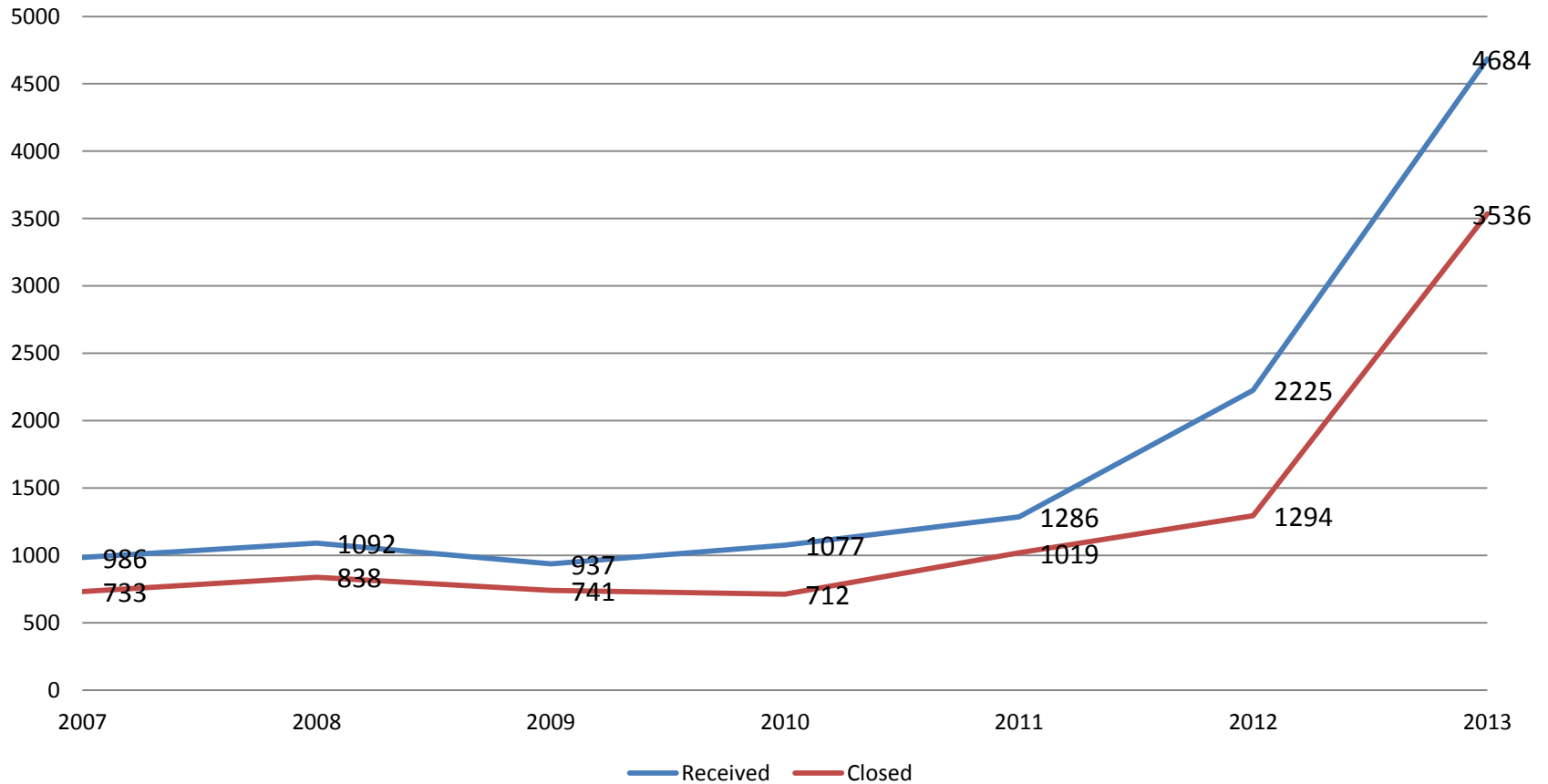
# Counterfeit of a patent

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- Rule 84 Any of the following acts constitutes an act of counterfeit a patent as prescribed in Article 63 of the Patent Law:
  - (1) affixing a patent indication on an unpatented product or on the package of such product ...
  - (2) selling a product as prescribed in subparagraph (1);
  - (3) indicating an unpatented technology or design as a patented technology ...
  - (4) counterfeiting or transforming any patent certificate...
  - (5) any other act which might mislead the public into regarding an unpatented technology or design as a patented technology or design.



# Statistics: Administrative enforcement



■ Source: [www. Sipo.gov.cn](http://www.Sipo.gov.cn)

# Court Proceeding

## Bifurcation: Separation proceedings for validity and infringement

### ■ Infringement proceedings

Competent Intermediate People's Court (76 out of 395 authorized to hear patent disputes)



Higher People's Court (First-level appeal)



Supreme People's Court (Second-level appeal)

### ■ Invalidation proceeding

Patent Reexamination Board



Intellectual Property Court in Beijing (First-level appeal)



Higher People's Court Beijing (Second-level appeal)



Supreme People's Court (Final appeal)



# New Intellectual Property Court

- New Intellectual Property Court
  - (Implemented from September, 2014)





# New Chinese Patent Law

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- Efficacy of a mediation agreement
  - The regional IP offices has right to mediate but it is difficult to enforce the mediate agreement
  - According to the proposed amendment, new patent law addresses that the mediation agreement is affirmed valid by the court, it is excutable by the court (amended Article 60)
  -



# New Chinese Patent Law

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- Previously, the regional IP offices only has right of sealing or detaining when it is related to a conterfeit of a patent (Article 64)
- New patent law: Confiscating and destroying the infringing product by the regional IP offices (amended Article 60)
  - the defendent should file a court action within 15 days after receiving the seizure **descition** from regional IP offices, if **neither file** a court action nor stop infringing, the regional IP offices can ask the court to excute the decision



## New Chinese Patent Law

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- The administrative department has the right to issue an “seizure” order to the e-commerce provider for cutting off the link of the infringer’s company homepage or the webpage of the disputed product



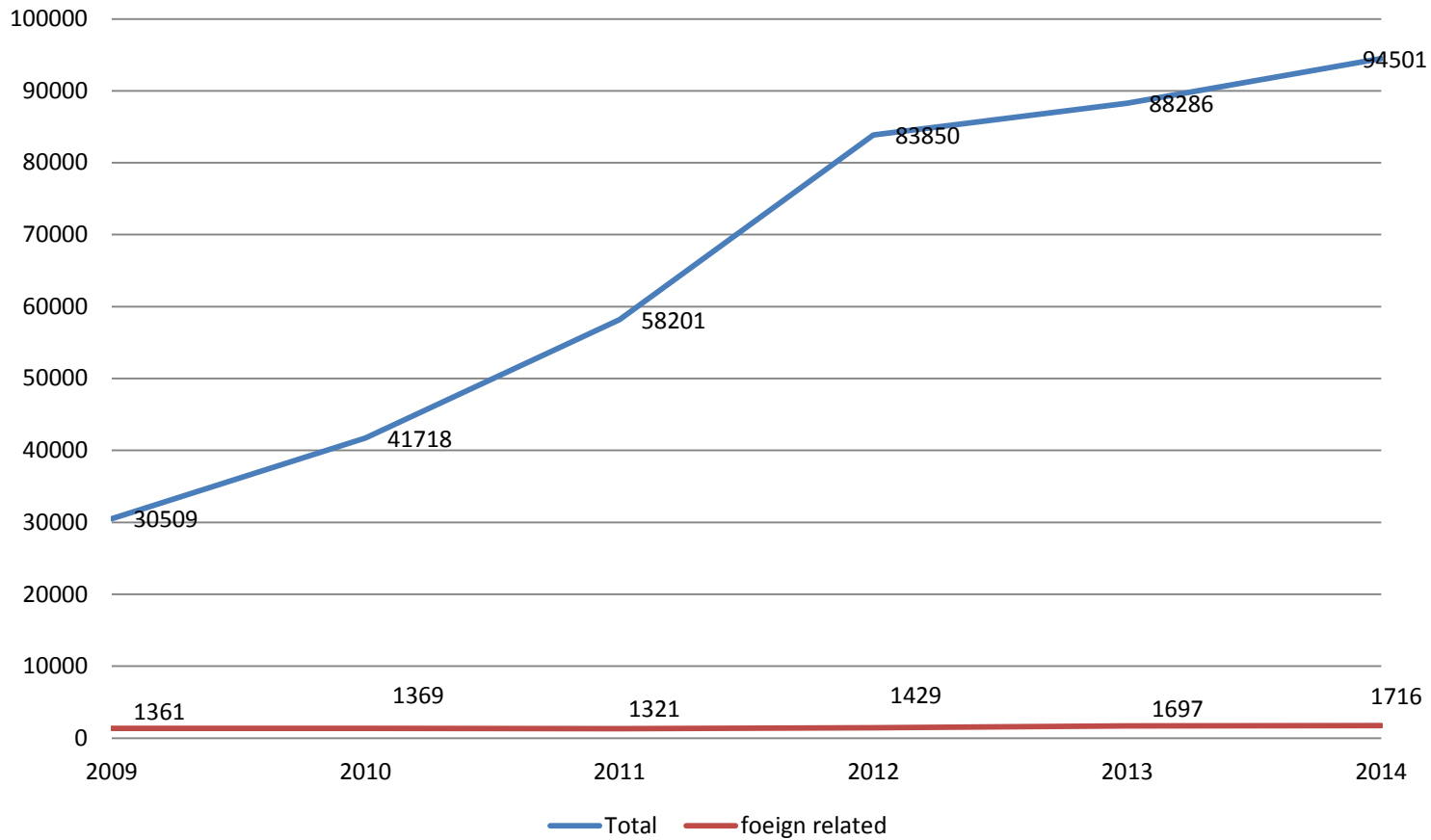
# New Chinese Patent Law

- The term of design extends to 15 years
- Graphical User Interface is now patentable under design patent (Decision 68, SIPO, 2014)





# Annual closed IP cases (first instance)



Source: [www.court.gov.cn](http://www.court.gov.cn)





# Administrative or legal?

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## Administrative action

- Cheap
- week
- Short
- NO final judgement

## Court action

- More Expensive
- Stronger
- Longer time



# Utility model: A good weapon

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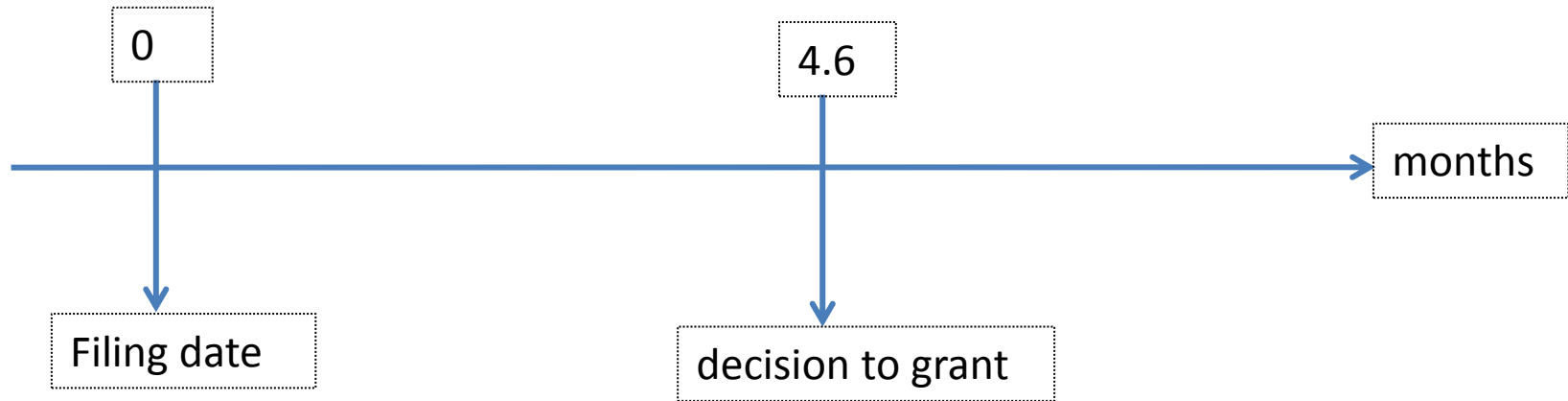
- The applicant can file an invention patent and a utility model at the same day for the same invention (or the same priority applicaiton)
- When there is no ground for rejecting the application for the invention patent, the patent administration department of the State Council shall notify the applicant that he is required to declare, within a specified time limit, the abandonment of his utility model.

➤ Article 9 + Rule 41

# Utility model: Fast path for enforcement



- Short examination period



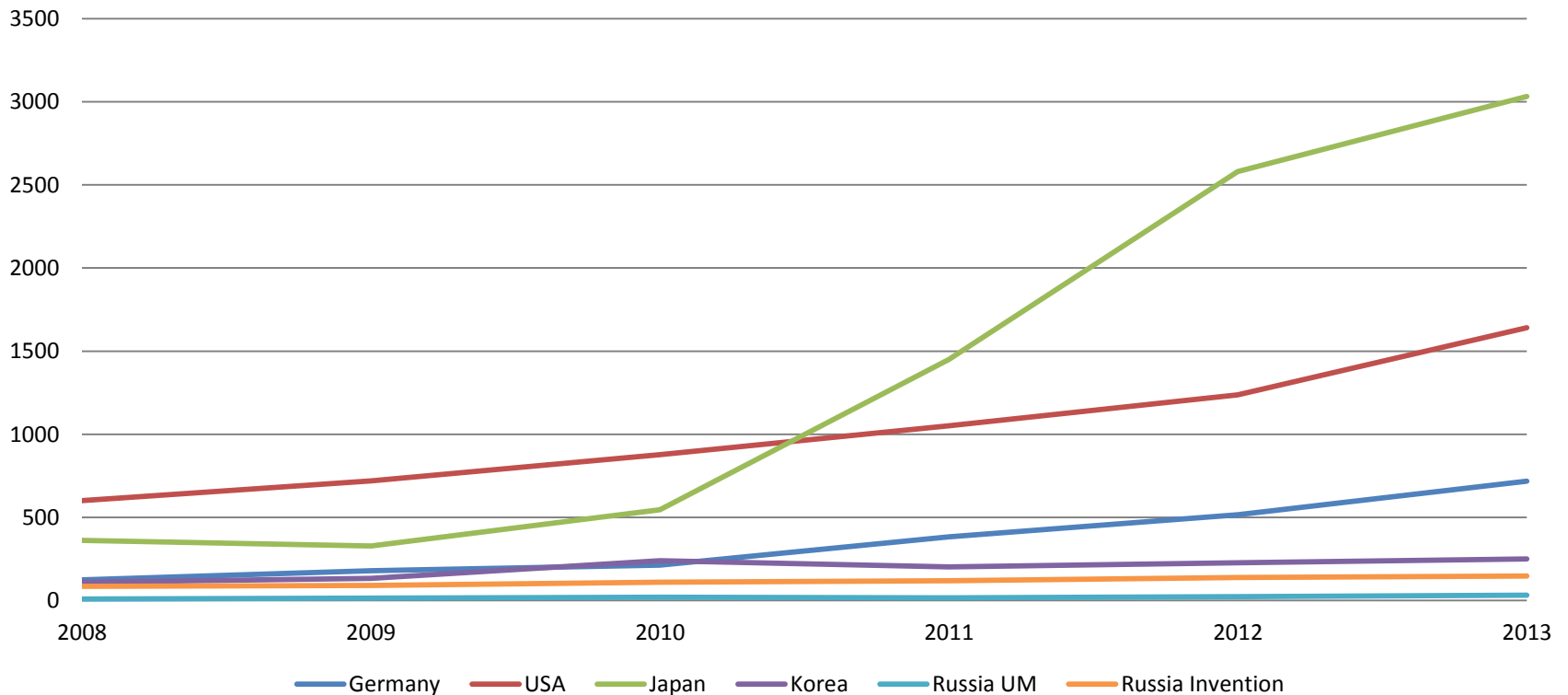
source: [www.wipo.int](http://www.wipo.int)

- The plaintiff who files a court action concerning utility model infringement litigation, shall submit a Evaluation Report of Patentability, otherwise, the defendant will be entitled to request suspension of the infringement case by filing a invalidation action(SPC, 2001)



# Utility model: A good weapon

UM applications to SIPO from major industrial countries



■ Source: [www.sipo.gov.cn](http://www.sipo.gov.cn)



# Some points for international association

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- Language
  - A good translation is decisive
- Deadline monitor
  - Who should monitor the deadline
- Instruction letter
  - Chinese associates normally don't challenge their foreign clients' instructions



# Criteria in selecting a good patent attorney in China

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- Technology
- Language
- Patent law
- Number of applications (?)
- Would a so called “good relationship“ with SIPO be a pro?



# For enforcement

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- Actively looking for mediation
- Apply administrative actions
- Select appropriate court



## For enforcement

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- Cooperating with e-commerce providers, like Alibaba, Baidu or Tencent
- Cooperating with media (especially internet)
- Monitoring the activities of the suspected infringer (e.g. M&A, IPO)
- Keeping know how so as to guarantee that the best embodiment of the invention can only be realized by cooperating with the patentee





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# CHINA IS PATENT-PROPERITER-FRIENDLY



# Any Further Questions?

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Спасибо!

谢谢!

Thank you very much!

Danke Schön!

Jinping Gong

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