



CHINA PATENT LAW GUIDE

OCTOBER 2022



GOWLING WLG



CONTENTS

OVERVIEW	1	Patent Entitlement	26
PART I: PATENT REGISTRATION	2	PART III: PATENT TRANSACTION	26
Patent Office	2	Inventorship and Remuneration	27
Types of Patents	2	Patent Assignment	28
Unpatentable Subject Matters	3	Patent License	28
Engaging a Patent Agency	3	Compulsory License	29
Foreign Filing License	3	CONTACT	31
Patent Abuse and Monopoly	4		
Patentability Requirement	4		
Patent Application Documents	5		
Claiming Priority	9		
Patent Unity Requirement	10		
Withdrawing Patent Application	11		
Acceptance of Patent Application Documents	12		
Divisional Application	12		
Preliminary Examination	13		
Early Publication	14		
Substantive Examination	15		
Amending Patent Application	16		
Third Party Opinion	16		
Patent Grant	16		
Patent Rejection	16		
Patent Term	17		
Patent Re-Examination	18		
PART II: PATENT ENFORCEMENT	19		
Patent Infringement	19		
Patent Invalidation	23		

NOT LEGAL ADVICE. Information made available in this document in any form is for information purposes only. It is not, and should not be taken as, legal advice. You should not rely on, or take or fail to take any action based upon this information. Never disregard professional legal advice or delay in seeking legal advice because of something you have read on this website. Gowling WLG professionals will be pleased to discuss resolutions to specific legal concerns you may have.

OVERVIEW

The first China Patent Law was drafted in 1984 as part of a central drive towards modernising the country into an industrial power. On April 1, 1985, the first Patent Law of the People's Republic of China came into force, with later amendments to China's patent law in 1992, 2000, 2008, and 2020.

The guiding principle of the China Patent Law is as follows:

"The Patent Law of the People's Republic of China is enacted in order to protect the lawful rights and interests of patentees, encourage invention and creative activities, promote the application of inventions and creations, enhance innovation capability and facilitate the advancement of science and technology and the economic and social development."

The most important international treaties that China has acceded to, which impact on the day-to-day work of patent officers and practitioners, are:

- The Paris Convention
- The Patent Cooperation Treaty (PCT)
- WTO's Trade-Related Aspects of Intellectual Property Agreement (TRIPs)

The purpose of this online handbook is to provide global patent practitioners with a handy, comprehensive, and continuously updated guide on China patent law. The handbook is divided into three parts, focusing on three major elements of the China patent law, i.e. patent registration, enforcement, and transaction.

PART I: PATENT REGISTRATION

PATENT OFFICE

The China National Intellectual Property Administration (CNIPA) is a vice-ministerial-level state agency under the State Administration for Market Regulation of China. The China Patent Office (CPO) is a part of the CNIPA.

CNIPA's responsibilities in relation to patents are set out below:

- The CNIPA is responsible for the administration of patent-related work nationwide. It accepts and examines patent applications in a uniform way and grants patent rights in accordance with the law.
- The patent administrative departments under the people's governments of provinces, autonomous regions and municipalities directly under the Central Government are responsible for patent administration within their respective administrative areas.
- The CNIPA shall - according to the requirements of objectivity, fairness, correctness and timeliness - handle any applications and requests relating to patents in accordance with the law.
- The CNIPA shall strengthen the building of a patent information-related public service system, release patent information in a complete, accurate and timely manner, provide patent-related basic data, and publish patent gazettes on a regular basis, therefore promoting the dissemination and utilisation of patent information.
- Before an application for a patent is published or announced, personnel of CNIPA and other persons involved in the application process are obligated to keep the contents of the application secret.

TYPES OF PATENTS

The concept of patent is broader in China than in many other countries. In essence, there are three types of patents covered by the China Patent Law.

INVENTION PATENT

The term "invention" refers to any new technical solution pertaining to any or all of a product or process, or the improvement thereof.

A technical solution often comprises a combination of technical features, such as parts, composition, components, materials, apparatus, equipment, shape of a device, size and structures for a product solution.

UTILITY MODEL PATENT

The term "utility model" refers to any new technical solution relating to the shape, the structure, or their combination, of a product, which is fit for practical use.

A "utility model", like the invention, is a technical solution. However, unlike an invention that may cover technical solutions relating to both products and processes, a utility model only relates to products of a certain shape. Therefore, processes of manufacturing, testing and applications, as well as products without a definite shape such as chemicals and pharmaceuticals, are not covered by the utility model.

DESIGN PATENT

The term "design" refers to any new design of a product's overall or local shape, pattern or combination thereof, or combination of colour and shape or pattern, which is fit for industrial application while having a sense of aesthetics.

A design patent must therefore fulfil three essential elements:

- there must be features of shape or pattern that are applicable to an article of manufacture;

- the features of shape or configuration and pattern or ornamentation must be industrially applicable, i.e. capable of duplication in quantity for the purpose of business operation; and
- the features must have a suitable aesthetic effect in the finished article.

UNPATENTABLE SUBJECT MATTERS

No patent right shall be granted for any of the following:

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 used principally to identify the pattern, colour or a combination thereof, of plane presswork.

For the production methods of the products specified in Item 4 above, the patent right may be granted.

ENGAGING A PATENT AGENCY

Any foreigner, foreign enterprise or other foreign organisation without any habitual residence or business address in China that seeks to apply for a patent, or deals with other patent-related matters in China, shall entrust a patent agency established legally to do so on his or its behalf.

Similarly, any Chinese entity or individual that seeks to apply for a patent or has other patent-related matters to attend to in China may entrust, should it or they choose to do so, a patent agency established legally to do so on its or their behalf.

A patent agency shall comply with the provisions of laws and administrative regulations and handle patent applications and other patent-related matters according to the entrustment of its clients. In respect of the contents of its clients' invention, except for those that have been published or announced, the agency shall

[Back to TOC](#)

bear the responsibility of maintaining confidentiality in this regard. The administrative regulations governing patent agencies shall be provided for by the State Council.

FOREIGN FILING LICENSE

CONFIDENTIALITY EXAMINATION REQUIRED FOR INVENTIONS ACCOMPLISHED IN CHINA

Any entity or individual that seeks to file a foreign application for a patent with respect to an invention or a utility model accomplished in China shall first report the matter to the CNIPA for confidentiality examination (i.e. foreign filing license).

What will be the consequence if a patent with respect to an invention or a utility model accomplished in China is first filed in a foreign country without requesting a foreign filing license from the CNIPA? In this situation, if an application is also filed for the patent in China, then the patent right for the Chinese patent may not be granted.

The term "invention or utility model accomplished in China" refers to an invention or utility model for which the substantive part of the technical solution is completed within China.

MANNER OF REQUESTING FOREIGN FILING LICENSE

Where any entity or individual files a patent application in a foreign country for an invention or utility model completed in China, a request shall be made to the CNIPA to carry out a confidentiality examination in accordance with one of the following methods:

1. Where the patent application is filed directly in a foreign country or an international patent application is submitted directly to the relevant foreign institution, a request shall be made to the CNIPA in advance and the technical solution shall be explained.
2. Where it is proposed that a patent application be filed in a foreign country or that an international patent application be submitted to the relevant foreign institution after a patent application has been filed with the CNIPA, a request shall be made to the CNIPA. This request should be made prior to filing the patent application in the foreign country concerned or

submitting the international patent application with the relevant foreign institution.

3. Where an international patent application is submitted to the CNIPA, a request for a confidentiality examination shall be deemed to have been made at the same time.

PROCEDURE OF FOREIGN FILING LICENSE

Where the CNIPA, after receiving a request submitted for foreign filing license and upon examination thereof, finds that the invention or utility model concerned might involve national security or another major interest and so needs to remain confidential, a confidentiality examination notice shall be forwarded to the applicant in a timely manner. If the confidentiality examination notice is not received within four months of the application date, then the applicant may file a patent application in a foreign country or submit an international patent application to the relevant foreign institution for such an invention or utility model.

Where the CNIPA carries out a confidentiality examination, a decision on whether confidentiality is required shall be made in a timely manner and the applicant notified. If a confidentiality examination notice is not received within six months of the application date, the applicant may file a patent application in a foreign country or submit an international patent application to the relevant foreign institution for such invention or utility model.

PATENT ABUSE AND MONOPOLY

Whoever applies for a patent and exercises the patent right shall follow the principle of good faith. No person may abuse the patent right to harm the public interest or the legitimate rights and interests of other persons.

Whoever abuses the patent right to exclude or restrict competition - therefore acting in a monopolistic way - shall be punished in accordance with the Anti-Monopoly Law of the People's Republic of China.

PATENTABILITY REQUIREMENT

NOVELTY, INVENTIVENESS AND UTILITY

Any invention or utility model for which a patent right is to be granted shall possess novelty, inventiveness and practical applicability.

- The term "novelty" means an invention or utility model that is, in no way, attributed to any existing technology (i.e. prior art). It also applies to the scenario of a "conflicting application", which is a patent application that is submitted before the filing date of the subject patent application, but published after the filing date of the subject patent application. A conflicting application can also destroy the novelty of the subject patent application.
- The term "inventiveness" means, compared with existing technology, an invention has prominent substantial features and represents notable progress, and a utility model has substantial features and represents any progress.
- The term "practical applicability" means an invention or utility model can be manufactured or used and may produce positive results.

For the purpose of the law, the term "existing technology" means the technology known to the general public both in China and abroad before the filing date.

DESIGN PATENTABILITY

Any design for which a patent right is granted shall not be attributable to any existing design; and no entity or individual shall have filed an application with the CNIPA, with respect to such a design before the filing date nor recorded such design on patent documents officially announced after the filing date.

Any design for which a patent right is granted shall be distinctively different from existing designs or combinations of the features of existing designs.

Any design for which a patent right is granted shall not be in conflict with the lawful rights obtained by others before the filing date.

[Back to TOC](#)

For the purposes of the law, the term "existing design" means any design made known to the public in China and abroad before the filing date.

GRACE PERIOD FOR NOVELTY

The invention for which a patent application has been filed does not lose its novelty if any of the following circumstances occur within six months before the filing date:

- in the case of any emergency or extraordinary circumstance occurring to the State, it is made public for the first time in the public interest;
- in the event the invention is first exhibited at an international exhibition sponsored or recognised by the Chinese Government;
- in the event the invention is first made public at a prescribed academic or technical meeting; and
- in the event that details of the invention are disclosed by any other person without the consent of the applicant.

The term "international exhibitions sponsored or recognised by the Chinese Government", as used in Item (2) above, refers to international exhibitions registered with the Bureau of International Exhibitions (BIE) or recognised by the BIE in accordance with the Convention on International Exhibitions.

The terms "academic meetings" or "technological meetings", as used in Item (3), shall mean academic or technological meetings convened by relevant competent departments under the State Council or by national academic organisations.

If an invention or creation for which a patent application is made falls under the provisions of Item (2) or Item (3) above, the applicant shall declare the same when filing the application. In addition, within two months of the application date, the applicant shall submit a document issued by the organiser of the relevant international exhibition or academic or technological meeting attesting that the invention or creation has been exhibited or published. This should also attest to the date of exhibition or publication.

Where an invention or creation for which a patent application is made falls under Item (4) above, the CNIPA may require the applicant to

[Back to TOC](#)

submit supporting documents within a prescribed period of time; if it considers such documents necessary.

UNPATENTABLE SUBJECT MATTER

No patent right shall be granted for any of the following:

- scientific discoveries;
- rules and methods for intellectual activities;
- methods for the diagnosis or treatment of diseases;
- animal or plant varieties;
- nuclear transformation method and substances obtained by the method of nuclear transformation; and
- designs that are used principally to identify the pattern, colour or a combination thereof, of plane presswork.

For the production methods of the products specified in Item (4) above, the patent right may be granted in accordance with the provisions of the law.

PATENT APPLICATION DOCUMENTS

In the event an application is filed for a patent for an invention or utility model, documents such as a written request, a written description and abstract of the invention or utility model, as well as a written claim, shall be submitted.

Where an application for a patent is filed for a design, then a written request, pictures or photographs of the design, a brief statement on the design and other relevant documents shall all be submitted with the application.

WRITTEN REQUEST

The written request for an invention, utility model or design patent shall indicate the following matters:

1. the name of the invention, utility model or design;
2. where the applicant is a Chinese entity or individual, then its title or their name, address, postal code, organisation code or

resident identity card number; where the applicant is a foreigner, a foreign enterprise or another foreign entity, then the request shall include their name or its title, nationality or registered country or region;

3. the name of the inventor or designer;
4. where the applicant has instructed a patent agency, the name and organisation code of the agency instructed and the name, registered number and telephone number of the patent agent;
5. where a priority right is claimed, the date and number of the application and the title of the original authority that accepted the application when it was first filed (hereinafter referred to as the "prior application");
6. the signature or seal of the applicant or patent agency;
7. a list of the application documents;
8. a list of the attached documents; and
9. other relevant matters to be indicated.

PATENT SPECIFICATION

The written description shall set forth the invention or utility model in a manner sufficiently clear and complete to enable a technician in the relevant field of technology to carry it out. Where necessary, drawings are required to be included as attachments. The abstract shall state briefly the main technical points of the invention or utility model.

The specification for an invention or utility model in a patent application shall indicate the name of the invention or utility model, which shall be consistent with the name stated in the claim letter. The specification shall include the following particulars:

1. **technical field** - the technical field to which the technical solution for which protection is requested pertains shall be specified;
2. **background art** - the background art useful for understanding, searching and examining the invention or utility model shall be specified and, where possible, documents reflecting such background art shall be cited;

3. **details of the invention** - the technical problem(s) to be solved by the invention or utility model, the technical solution adopted to resolve such technical problem(s) and the advantageous effects of the invention or utility model, in comparison with prior art, shall be specified;
4. **a description of the drawings** - if the specification contains drawings, a brief description shall accompany each drawing; and
5. **the specific mode for implementing the invention or utility model** - a detailed description of the best mode contemplated by the applicant for implementing the invention or utility model shall be indicated. Where appropriate, such description shall be given by offering examples with reference to drawings, if any.

Applicants for invention or utility model patents shall write a specification in the manner and sequence provided above, with each part thereof preceded by a heading; unless, due to the nature of the invention or utility model, a different manner or different sequence will reduce the length of the specification and enable others to understand accurately the invention or utility model.

The specification for an invention or utility model shall be worded in standard Chinese and be written clearly, and may not include commercial advertising terms or use references such as "as described in claim...".

If an invention patent application includes one or more nucleotide or amino acid sequences, the specification shall include a sequence listing that complies with the regulations of the patent administrative authority under the State Council. The applicant shall submit such a sequence listing as a separate part of the specification and provide a duplicate copy in computer readable form in accordance with the regulations of the patent administrative authority under the State Council.

The specification for a utility model patent application shall include attached drawings that indicate the need to protect the shape or structure of the product, or a combination of the two.

[Back to TOC](#)

PATENT CLAIMS

The written claim shall be supported by the description and shall define the extent of the patent protection being requested in a clear and concise manner.

Claims shall describe the technical characteristics of the invention or utility model and clearly and concisely define the scope of the request for protection.

Claim formats

If a claim letter contains two or more claims, the claims shall be numbered consecutively with Arabic numerals.

The technical terminology used in a claim letter shall be consistent with that used in the specification. Claim letters may contain chemical or mathematical formulas, but no illustrations. Unless absolutely necessary, the phrases "as described in part ... of the specification", or "as illustrated in Figure ..." may not be used.

In setting forth technical features in claims, appropriate references in the specification's drawings may be cited. Such references shall be placed in brackets after the corresponding technical feature to aid understanding of the claim. Reference characters may not be interpreted as restrictions of the claim.

Independent claims

Claim letters shall include an independent claim and may also include dependent claims.

The independent claim shall reflect the entire technical solution that an invention or utility model offers and record the technical features necessary for resolving the technical problem.

Independent claims for an invention or utility model shall include a preamble and a features section written in accordance with the following provisions:

1. **Preamble:** specifying the title of the subject matter of the technical solution offered by the invention or utility model for which protection is requested, and the necessary technical features of the subject matter of the invention or utility model

that it has in common with the prior art to which it is most closely related.

2. **Features section:** specifying the technical features of the invention or utility model that differ from the prior art to which it is most closely related by using the expression "it is characterised by...." or similar expressions. Taken together, these features and those described in the preamble shall define the scope of protection requested for the invention or utility model.

If, owing to its nature, it is inappropriate to describe an invention or utility model in the above manner, an independent claim for it may be written in another form.

Only one independent claim shall be made for the same invention or utility model. Such claim shall precede any dependent claim for the same invention or utility model.

Dependent claims

Dependent claims shall further restrict the claims cited by using additional technical features.

Dependent claims for an invention or utility model shall contain a reference portion and a limitation portion written in accordance with the following provisions:

1. **Reference portion:** specifying the serial number(s) of the claim(s) referred to and the title(s) of its (their) subject matter.
2. **Limitation portion:** specifying additional technical features of the invention or utility model.

Dependent claims may refer only to the preceding claim(s). A multiple dependent claim that refers to two or more claims may refer to the preceding claims in the alternative only and may not serve as the basis for any other multiple dependent claims.

PATENT DRAWINGS

Where two or more drawings of an invention or utility model are submitted, they may be drawn on one sheet of paper and shall be arranged in numerical order as "Figure 1, Figure 2, ...".

Reference characters that are not mentioned in the text of the invention or utility model specification may not appear in the

drawings and reference characters that do not appear in the drawings may not be mentioned in the text of the specification. Reference characters used in the application documents that refer to the same constituent elements shall be consistent.

Drawings shall not contain any explanatory notes other than indispensable wording.

PATENT ABSTRACTS

A specification abstract shall consist of a summary of the details included in the patent application for the invention or utility model and specify: the name of the invention or utility model and the technical field to which it pertains; and clearly reflect the technical problem to be resolved, the gist of the technical solution to such a problem, and the principal use(s) of the invention or utility model.

Specification abstracts may include the chemical formula that best characterises the invention. For a patent application with drawings, the drawing that best characterises the technical features of the invention or utility model shall also be provided. The scale and clarity of the drawings shall be such as to ensure that all details of the drawings are still clearly distinguishable when these are reduced in size to 4cm x 6cm. The textual portion of the abstract may not exceed 300 Chinese characters. No commercial advertising terminology may be used in the abstract.

Deposition of biological materials

If an invention for which a patent application is made involves a new biological material that is not available to the public and cannot be described in such a manner as to enable the invention to be implemented by a person skilled in the art, the applicant shall go through the following procedure:

1. Deposit, prior to the application date or at the latest on the application date (if he has priority, the application date shall be the priority date), a sample of the biological material with the depositary institution designated by the CNIPA and submit, at the time of application or at the latest within four months of the application date, the certificate of deposit and certificate of survival issued by the depositary institution. If the certificates are not submitted within the time limit, no sample shall be deemed to have been deposited.

2. Provide, in the application documents, information on the characteristics of the biological material.
3. If the patent application involves the deposit of a sample of the biological material, the applicant shall specify in the claim letter and the specification the taxonomic description (indicating the Latin name) of said biological material, the name and address of the institution with which the sample of the biological material has been deposited, the date of deposit and the serial number of the deposit. If such particulars are not specified at the time of application, they shall be supplied within four months of the application date. If they are not supplied within the time limit, no sample shall be deemed to have been deposited.

Where an invention patent applicant deposits a sample of a biological material, any entity or individual that needs to use the biological material involved in the patent application for experimental purposes after publication of the patent application shall submit a request to the CNIPA specifying the following matters:

1. the name and address of the work unit or individual making the request;
2. an undertaking not to supply said biological material to any other person; and
3. an undertaking to use the biological material only for experimental purposes prior to the grant of the patent right.

DISCLOSING SOURCES OF GENERIC RESOURCES

In the event an invention is accomplished by relying on genetic resources, an applicant shall state, in the relevant patent application documents, both the direct and original sources of said genetic resources. In the event the applicant is unable to do provide information on the original sources, the applicant shall state the reasons.

The term "genetic resources" as used in the Patent Law refers to any material derived from the human body, animals, plants, micro-biotic organisms, etc., that contains units with a hereditary function and has actual or potential value. The term "inventions or innovations based on genetic resources", as used in the Patent Law, refers to inventions and creations based on the utilisation of genetic resources for their hereditary function.

Where a patent application is filed for an invention or creation based on genetic resources, the applicant shall give an explanation in the claim letter and complete the forms formulated by the CNIPA.

DESIGN PATENT DOCUMENTS

In the event an application for a patent is filed for a design, then a written request, drawings or photographs of the design, a brief statement on the design and other relevant documents shall all be submitted with the application.

The relevant drawings or photographs submitted by an applicant shall clearly display the design of a product for which patent protection is being requested.

Drawings or photographs

When a design patent application also requests protection of colour, colour drawings or photographs shall be submitted in duplicate.

The applicant shall submit relevant drawings or photographs concerning the details of each design product that require protection. Such drawings or photographs shall clearly show the subject matter for which protection is being requested.

Brief description

The brief explanation of the design shall indicate the title, use and design features of the patented design product. It should also include a picture or photograph that best shows the design's features. Where the design is omitted or a colour protection request is made, the brief explanation shall refer to the same.

Where a design patent application is filed in relation to two or more similar designs based on the same product, one of the designs shall be designated as the basic design in the brief explanation.

No commercial advertising or instructions on product functions shall be included in this brief.

Product models

When the CNIPA considers it necessary, it may require that the applicant for a design patent to submit samples or models of products incorporating the design. The size of a sample or model may

[Back to TOC](#)

not exceed 30cm * 30cm * 30 cm by length, width and height, and its weight may not exceed 15kg. Articles that are perishable, easily damaged or dangerous may not be submitted as samples or models.

CLAIMING PRIORITY

PRIORITY PERIOD

An applicant may also enjoy the right of priority where:

- they/it files an application with the CNIPA for a patent on the same subject within 12 months of the date on which an application for a patent for any invention or utility model is filed for the first time in a foreign country; or
- within 6 months from the date on which an application for a patent for a design is filed for the first time in a foreign country.

Said foreign country shall either has concluded a relevant agreement with China, or has joined the same international treaty (e.g. the Paris Convention), or agreed to the principle of mutual recognition with China, regarding the right of priority.

TIME LIMIT FOR CLAIMING PRIORITY

An applicant claiming the right of priority to a patent for any invention or utility model shall make a written statement at the time of application, and within 16 months from the date on which an application is filed for the first time, submit a duplicate of the first-filed patent application documents.

An applicant claiming the right of priority over any design patent shall make a written statement at the time of application and submit a duplicate of the first-filed patent application documents within 3 months.

Where an applicant fails to make a written statement or submit a duplicate of relevant patent application documents within the prescribed time limit, it shall be deemed as not claiming the right of priority.

PROCEDURES FOR CLAIMING PRIORITY

Where the applicant claims a foreign priority, the copies of the prior application documents submitted by the applicant shall be certified by the original acceptance authorities. Where, according to the agreement signed between the CNIPA and the accepting authority are concerned, the CNIPA obtains copies of the prior application documents by means such as electronic exchange, the copies of the prior application documents shall be deemed to have been submitted by the applicant. Where a domestic priority right is claimed and the applicant records the date and number of the prior application in the claim letter, copies of the prior application documents shall be deemed to have been submitted.

Where a priority right is claimed, but one or two items such as the date or number of the application or the title of the original acceptance authority are left out or recorded in error in the claim letter, the CNIPA shall notify the applicant that it must rectify the request within a specific time limit. Where the request has not been rectified before the time limit expires, it shall be deemed that no claim for a priority right has been made.

Where the name or title of the applicant claiming a priority right is inconsistent with that of the applicant recorded in the copies of the prior application documents, certified documents on the assignment of property rights shall be submitted. Where no certified documents are submitted, it shall be deemed that no claim for a priority right has been made.

Where the applicant for a design patent claims a foreign priority right, without having included a brief explanation of the design in the prior application, and they/it then submits a brief explanation that does not go beyond the scope indicated by the picture or photograph in the prior application documents, the applicant's enjoyment of the priority right shall not be prejudiced.

MULTIPLE PRIORITY

Applicants may claim one or more priorities in the same patent application. If two or more priorities are claimed, the priority term of the application shall be calculated from the date of the earliest priority.

UNFIT FOR DOMESTIC PRIORITY

If an applicant claims a domestic priority and the Earlier Application is an application for an invention patent, an application for an invention or utility model patent may be filed regarding the same subject matter. If the Earlier Application is an application for a utility model patent, an application for a utility model or invention patent may be filed regarding the same subject matter. However, if the subject matter of such an Earlier Application is characterised by any of the circumstances set forth below when the later application is filed, the Earlier Application may not be taken as the basis for a claim for domestic priority. These circumstances are where:

- foreign or domestic priority has already been claimed;
- a patent right has already been granted; or
- the Earlier Application is a divisional application filed in accordance with regulations.

When an applicant claims domestic priority, his Earlier Application shall be deemed to have been withdrawn on the date on which the later application is filed.

PATENT UNITY REQUIREMENT

INVENTION AND UTILITY MODEL UNITY REQUIREMENT

An application for a patent for an invention or utility model shall be limited to one invention or one utility model. Two or more inventions or utility models belonging to a single general inventive concept may be filed as one application.

Two or more inventions or utility models relating to the same general invention concept that may be submitted as one patent application shall be technically interrelated and share one or more identical or corresponding specific technical feature. In this context, the term "specific technical features" refers to the technical features of the contribution that each invention or utility model, as a whole, makes to the prior art.

DESIGN PATENT UNITY REQUIREMENT

A design patent application shall be limited to one design. Two or more similar designs that are incorporated into the same products or two or more designs that are used in products belonging to the same class, and which are sold or used in sets, may be filed as one application.

The term “two or more designs for the same category of products sold or used in sets” refers to products in the same category of the classification table that are customarily sold or used at the same time and share the same design concept.

MULTIPLE DESIGNS

Where a design patent application is filed for two or more similar designs with respect to the same product, the other designs for the product shall resemble the basic design designated in the brief explanation. Similar designs included in the same design patent application shall not exceed ten designs.

Where two or more designs are filed as one application, the number of each design shall be recorded in sequence before the title of the picture or photograph of the product incorporating the design.

INVENTION AND UTILITY MODEL FILED SIMULTANEOUSLY

Only one patent can be granted for the same invention. However, in the event that the same applicant applies for both a patent for utility model and patent for invention with regard to the same invention on the same date, if the patent for utility model acquired earlier is not terminated yet and the applicant declares to waive the patent for utility model, the patent for invention may be granted.

Where the same applicant files patent applications for a utility model and an invention with respect to the same invention or innovation on the same day (i.e. the application date), when the applications are filed, statements of having filed another patent application with respect to the same invention or innovation shall be respectively made. Where no such statement is made, the application shall be dealt with in accordance with the principle that only one patent shall be granted for the same invention or innovation.

[Back to TOC](#)

Where the CNIPA announces that a patent right for a utility model has been granted, the statement shall announce that the applicant has simultaneously applied for an invention patent.

Where no grounds for rejecting an invention patent application are found in the course of an examination, the CNIPA shall notify the applicant that it must declare within a specified period that the utility model patent has been surrendered. Where the applicant makes a surrender declaration, the CNIPA shall make a decision to grant an invention patent and make an announcement stating that the applicant has surrendered its utility model patent when announcing that the invention patent has been granted.

Where the applicant refuses to surrender the utility model patent, the CNIPA shall reject the invention patent application. In addition, where the applicant has not replied when the time limit expires, the invention patent application shall be deemed to have been withdrawn.

The utility model patent shall be terminated on the date of the announcement that the invention patent has been granted.

WITHDRAWING PATENT APPLICATION

An applicant may withdraw its or their application for a patent at any time before the patent right is granted.

If an applicant withdraws a patent application, they must declare such withdrawal in writing to the CNIPA, specifying the name, application number and application date of the invention or creation.

If the application withdrawal declaration is submitted after the CNIPA has completed the printing preparations for publication of the application documents, the application documents shall still be published. However, the application withdrawal declaration shall be published in the subsequent Patent Bulletin.

ACCEPTANCE OF PATENT APPLICATION DOCUMENTS

Following receipt of the written request, specification (that, for a utility model, must contain drawings) and rights request in respect of an application for an invention or utility model patent, or following receipt of the written request and drawings or photographs of the design in respect of an application for a design patent, the CNIPA shall determine the application date, assign an application number and notify the applicant.

NON-ACCEPTANCE OF PATENT APPLICATION DOCUMENTS

The CNIPA shall not accept patent application documents and shall notify the applicant:

1. If the application for an invention or utility model patent lacks a written request, a specification (or, in the case of a utility model, the specification lacks drawings) or a rights request, or the application for a design patent lacks a written request, drawings or photographs.
2. If the documents are not in Chinese.
3. If the documents do not conform to the formality of written documents for patent applications, as follows:
 - (a) All types of application documents shall be typed or printed neatly and clearly in black ink and may not contain alterations. Drawings shall be made using drafting instruments in black ink with clear lines of uniform thickness, and shall not contain alterations.
 - (b) Requests, specifications, claims, drawings and abstracts, respectively, shall be numbered sequentially with Arabic numerals.
 - (c) The textual portion of application documents shall be written horizontally. Only one side of the paper shall be used.
4. If the written request lacks the name and address of the applicant.

5. If the foreign applicant is not an eligible applicant recognised by the Patent Law, or if the foreign applicant without any habitual residence or business address in China has not engaged a Chinese patent agency for filing the patent.
6. If the category (invention, utility model or design) of the patent application is unclear or difficult to determine.

LACK OF DRAWINGS

If a specification contains an explanation of drawings but there are no drawings or some of the drawings are missing, the applicant shall submit the drawings or declare that the explanation of the drawings has been cancelled within the time limit prescribed by the CNIPA. If the applicant submits the drawings, the application date shall be the date on which the drawings are submitted or mailed to the CNIPA. If the applicant cancels the explanation of the drawings, the original application date shall be retained.

UNCLEAR PRODUCT CLASSIFICATION FOR DESIGNS

When an applicant specifies the product incorporating a design and the class it belongs to, reference shall be made to the classification of design products published by the CNIPA. If the class to which a product incorporating a design belongs is not specified or the class specified is inaccurate, the CNIPA may supply or amend the class.

DIVISIONAL APPLICATION

If one patent application covers two or more inventions, utility models or designs, the applicant may file a divisional application with the CNIPA. However, a divisional application may not be filed if a patent application has already been rejected, withdrawn or deemed to have been withdrawn.

If the CNIPA considers that a patent application does not conform to the unity requirement, it shall notify the applicant that it must amend the application within a prescribed time limit. If the applicant does not reply within the time limit, the application shall be deemed to have been withdrawn.

[Back to TOC](#)

No divisional application may change the category of the parent application.

Divisional applications may retain the original application date. If they have a priority right, the date of the priority right may be retained. However, the scope of the disclosure made in the parent application may not be exceeded.

The request for a divisional application shall specify the application number and application date of the parent application. When filing a divisional application, the applicant shall submit copies of the parent application documents. If the parent application had a priority right, copies of the priority right documents for the parent application shall also be submitted.

PRELIMINARY EXAMINATION

The preliminary examination undertaken by the CNIPA is different from the inspection of the application documentation undertaken when the application was accepted. The purpose of the preliminary examination is to examine whether there are any obvious defects to the patent application.

PRELIMINARY EXAMINATION FOR INVENTION PATENTS

Preliminary examination as to obvious defects of an invention patent include the following:

- whether the subject matter of an invention patent is obviously in violation of laws and statutes, or is against the public ethics, or will harm the public interests;
- whether the content of an invention patent obviously falls within unpatentable subject matters;
- whether the foreign applicant is not an eligible applicant recognised by the Patent Law, or whether the foreign applicant without any habitual residence or business address in China has not engaged a Chinese patent agency for filing the patent;
- whether an invention patent application violates the foreign filing clearance rules;

[Back to TOC](#)

- whether the patent description and claims are not in conformity with statutory requirements;
- whether the invention is based on the utilisation of genetic resources but the application fails to disclose the sources of said genetic resources;
- whether an invention patent application is obviously not in conformity with the definition of an "invention", i.e. a new technical solution pertaining to any or all of a product or process or the improvement thereof;
- whether an invention patent application is obviously not in conformity with the unity requirement; and
- whether the amendments made by the applicant obviously goes beyond the scope of original disclosure.

PRELIMINARY EXAMINATION FOR UTILITY MODEL PATENTS

It is important to note that utility models only go through preliminary examination before they are published and granted. There is no substantive examination of utility model patents. The preliminary examination, however, can inspect obvious defects in terms of novelty, inventiveness, and practical applicability.

Preliminary examination as to obvious defects of a utility model patent includes the following:

- whether the subject matter of a utility model patent is obviously in violation of laws and statutes, or is against the public ethics, or will harm the public interests;
- whether the content of a utility model patent obviously falls within unpatentable subject matters;
- whether the foreign applicant is not an eligible applicant recognised by the Patent Law, or whether the foreign applicant without any habitual residence or business address in China has not engaged a Chinese patent agency for filing the patent;
- whether the patent description and claims are not in conformity with statutory requirements;

- whether a utility model application is obviously not in conformity with the definition of a "utility model", i.e. any new technical solution relating to the shape, the structure, or their combination, of a product that is fit for practical use;
- whether the utility model patent application has obvious defects as to novelty, inventiveness, or practical applicability;
- whether the utility model application obviously fails to describe the invention sufficiently clearly and completely so as to enable a skilled person to carry it out;
- whether the utility model claims are obviously not supported by the description; and/or whether the utility model's claims obviously fail to define the protection scope in a clear and concise manner;
- whether a utility model application is obviously not in conformity with the unity requirement;
- whether the amendments made by the applicant obviously go beyond the scope of original disclosure; and
- whether granting the utility model application will cause double patenting issues in the scenario of an invention and utility model being filed simultaneously.

PRELIMINARY EXAMINATION FOR DESIGN PATENTS

It is important to note that design patent applications only go through preliminary examination before they are published and granted. There is no substantive examination of design patents.

Preliminary examination as to obvious defects of a design patent covers the following:

- whether the subject matter of a design patent is obviously in violation of laws and statutes, or is against the public ethics, or will harm the public interests;
- whether the content of a design patent obviously falls within unpatentable subject matters;
- whether the foreign applicant is not an eligible applicant recognised by the Patent Law, or whether the foreign applicant

- without any habitual residence or business address in China has not engaged a Chinese patent agency for filing the patent;
- whether a design application is obviously not in conformity with the definition of a "design", i.e. any new design pertaining to the shape, the pattern, or their combination, or the combination of colour and shape or pattern, of a product that creates an aesthetic feeling and is fit for industrial application;
- whether the design patent application is obviously not novel, and/or is obviously not distinctively different from existing designs or combinations of the features of existing designs;
- whether the relevant pictures or photographs submitted by an applicant has clearly displayed the design of a product for which patent protection is requested;
- whether a design patent application is obviously not in conformity with the unity requirement; and
- whether the amendments made by the applicant obviously go beyond the scope of original disclosure.

EARLY PUBLICATION

Where, pursuant to the receipt of an application for a patent of an invention, the CNIPA, upon preliminary examination, finds the application conforms to the requirements of the Law, it shall publish the application promptly within 18 full months from the filing date. Upon the request of the applicant, the CNIPA may publish the application earlier.

If an applicant requests early publication of his application for an invention patent, he shall declare the same to the CNIPA. The CNIPA shall publish the application immediately after its preliminary examination, unless it rejects the application.

[Back to TOC](#)

SUBSTANTIVE EXAMINATION

TIME LIMIT FOR REQUESTING SUBSTANTIVE EXAMINATION

Upon receiving a relevant request from an applicant applying for a patent for an invention, made at any time within three years from the filing date, the CNIPA will proceed to examine the substance of the application. If, without any valid reason, the applicant fails to meet the time limit for requesting an examination of the substance, the application shall be deemed to have been withdrawn.

The CNIPA may, on its own initiative and when it deems necessary, proceed to examine the substance of any application for a patent for an invention.

PROCEDURE OF SUBSTANTIVE EXAMINATION

After the CNIPA has conducted the examination of the substance of an application for a patent of an invention, it finds that the application is not in conformity with the provisions of the Patent Law, it shall notify the applicant and request them to issue a statement or amend the application within a specified time limit. If, without valid reason, the applicant concerned fails to give a response within the specified time limit, the application shall be deemed to have been withdrawn.

In the event that an applicant issues a statement or makes an amendment, and the CNIPA finds that the application for a patent for an invention still does not comply with the provisions of the Patent Law, then the application shall be rejected.

ISSUES RAISED IN SUBSTANTIVE EXAMINATION

The substantive examination refers to the Patent Authority's detailed study of the application documents for a patent for invention and search documents. The aim of the substantive examination is to ascertain whether the application is in accordance with the Patent Law and to make a final determination as to whether the patent right should be granted.

The substantial examination deals with the following issues:

[Back to TOC](#)

- whether an invention patent application is in conformity with the definition of an "invention", i.e. new technical solution pertaining to any or all of a product or process or the improvement thereof;
- whether the subject matter of an invention patent is in violation of laws and statutes, or is against the public ethics, or will harm the public interests;
- whether an invention patent application is susceptible of "double patenting";
- whether the content of an invention patent falls within unpatentable subject matters;
- whether an invention patent application violates the foreign filing clearance rules;
- whether an invention patent application possesses novelty, inventiveness and practical applicability;
- whether the patent description has set forth the invention clearly and completely, so as to enable a skilled person to carry it out;
- whether the patent claims are supported by the description and whether the patent claims define the scope of the patent protection in a clear and concise manner;
- whether the applicant has disclosed both the direct and original sources of genetic resources, in the event an invention is accomplished by relying on genetic resources;
- whether an invention patent application is in conformity with the unity requirement;
- whether the independent claim lacks any essential technical features necessary for resolving the technical problem; and
- whether the amendments made by the applicant go beyond the scope of original disclosure, in the event that the applicant has amended the application or divisional application.

Some of the above substantive issues are also involved in the preliminary examination. However, the preliminary examination only deals with obvious substantive defects, whereas the substantive examination proceeds with further and detailed examination.

AMENDING PATENT APPLICATION

The applicant can amend the patent application in two modes: (1) voluntary amendment on his own initiative; and (2) targeted amendment on demand from the patent examiner.

VOLUNTARY AMENDMENT

For an invention patent, the applicant has two opportunities for voluntary amendment:

- when requesting substantive examination; or
- within three months from the date of the patent application entering the substantive examination.

For utility model and design patents, the applicant may amend his applications on his own initiative within two months from the application date.

TARGETED AMENDMENT

After receiving an office action from the patent examiner, the applicant can only make targeted amendment to address the objections raised by the examiner.

The CNIPA may correct obvious typographical and symbol errors in patent application documents. If the CNIPA makes such corrections itself, it shall notify the applicant thereof.

THIRD PARTY OPINION

Any person may make submissions and give an explanation of the reasons for such submissions to the CNIPA regarding an application for an invention patent that does not conform to the provisions of the Patent Law. These submissions can be made from the date of publication of such a patent application until the date of the public announcement that a patent right has been granted.

PATENT GRANT

If, upon the examination into the substance of an application for a patent of an invention, it is found there is no cause to reject the application, the CNIPA shall decide to grant the patent right for the invention, issue the relevant certificate of patent for invention, and meanwhile register and announce the same. The patent right for the invention shall be effective as of the date of announcement.

If, upon the preliminary examination of the substance of an application for a patent of a utility model or a design, it is found there is no cause to reject the application, the CNIPA shall decide to grant the patent right for the utility model or the design, issue the relevant certificate of patent for utility model or design, and meanwhile register and announce the same. The patent right for the utility model or design shall be effective as of the date of announcement.

After the CNIPA issues a notice that a patent right has been granted, the applicant shall go through the registration procedures within two months from the date of receipt of the notice. If the applicant goes through registration procedures within the time limit, the CNIPA shall grant the patent right, issue a patent certificate and gazette the same.

If the applicant does not go through registration procedures within the time limit, he shall be deemed to have renounced the right to obtain the patent.

PATENT REJECTION

GROUND FOR PATENT REJECTION

Upon substantive examination, an invention patent application can be rejected on the following grounds:

- an invention patent application is not in conformity with the definition of an "invention", i.e. a new technical solution pertaining to any or all of a product or process or the improvement thereof;
- the subject matter of an invention patent is in violation of laws and statutes, or is against the public ethics, or will harm the public interests;

[Back to TOC](#)

3. an invention patent application is "double patenting";
4. the content of an invention patent application falls within unpatentable subject matters;
5. an invention patent application violates the foreign filing clearance rules;
6. an invention patent application does not possess novelty, inventiveness and practical applicability;
7. the patent description fails to set forth the invention clearly and completely, so as to enable a skilled person to carry it out;
8. the patent claims are not supported by the description and/or the patent claims fail to define the scope of the patent protection in a clear and concise manner;
9. the applicant has not disclosed both the direct and original sources of genetic resources, in the event that an invention is accomplished by relying on genetic resources;
10. an invention patent application is not in conformity with the unity requirement;
11. the independent claim lacks essential technical features necessary for resolving the technical problem; and
12. the amendments made by the applicant go beyond the scope of the original disclosure, in the event that the applicant has amended the application or divisional application.

REMEDY FOLLOWING PATENT REJECTION

The CNIPA shall establish a Patent Re-examination Board. In the event that an applicant for a patent is not satisfied with the decision to reject the application by the said department, the applicant may, within three months of the date upon receipt of the notification of the decision, request the Patent Re-examination Board to conduct a re-examination of the application. The Patent Re-examination Board shall, after re-examination, make a decision and notify the applicant for the patent.

In the event that the said applicant is not satisfied with the decision made by the Patent Re-examination Board, it or they may, within

[Back to TOC](#)

three months from the date of receipt of the notification, initiate legal proceedings in the people's court.

PATENT TERM

The duration of the patent right for an invention shall be 20 years, the duration of the patent right for a utility model shall be 10 years, and that of the patent right for a design shall be 15 years, all commencing from the date of application.

In the event that the patent claims priority from an earlier application, it is important to note that the patent term still commences from the date of application, not the date of priority.

PATENT TERM ADJUSTMENT DUE TO DELAY IN EXAMINATION

Where the patent right for an invention is granted after four full years from the date of application for the invention patent and after three full years from the date of request for substantive examination, the CNIPA shall, at the request of the relevant patentee, make up the patent right duration. This is in case of any unreasonable delay in granting the invention patent right, except for unreasonable delay caused by the applicant.

PATENT TERM COMPENSATION FOR PHARMACEUTICAL PATENTS

In order to make up the time taken up by review and approval for marketing of new drugs, the CNIPA shall, at the request of the relevant patentee, make up the patent right duration for invention patents pertaining to new drugs that obtain marketing authorisation in China. The make-up duration shall not exceed five years, and the total valid duration of a patent right shall not exceed 14 years after a new drug is approved for marketing.

PATENT ANNUITY

The patentee shall pay an annual fee commencing from the year in which the patent right is granted.

PATENT EXPIRATION

Under any of the following circumstances, the patent right shall be terminated before the expiration of its duration:

1. where the prescribed annual fee is not paid; or
2. where a patentee abandons its or their right to the patent by issuing a written declaration to do so.

Any termination of a patent right before its expiration shall be registered and announced by the CNIPA.

PATENT RE-EXAMINATION

THE PATENT RE-EXAMINATION BOARD

The CNIPA shall establish a Patent Re-examination Board (PRB). The PRB handles both patent re-examination (i.e. review of a patent rejection decision) and patent invalidation.

The PRB shall be composed of technical and legal experts designated by the CNIPA. The person in charge of the CNIPA serves as the chairman of the Patent Re-examination Board.

SUBMITTING A REQUEST FOR PATENT RE-EXAMINATION

To submit a request for re-examination to the PRB, a written request for re-examination that states the reasons for the request shall be submitted. This shall be accompanied, if necessary, by the relevant evidence.

Where the patent re-examination request is inconsistent with the provisions of the Patent Law, the PRB shall not accept the request and shall send a written notice to the person requesting the re-examination with explanatory reasons.

If a re-examination request is not in the prescribed format, the party requesting the re-examination shall correct it within the time limit prescribed by the PRB. If no correction is made within the time limit, then no re-examination request shall be deemed to have been submitted.

RESPONDING TO THE RE-EXAMINATION NOTICE

When submitting the request for re-examination or responding to the re-examination notice issued by the PRB, the party making the request may amend his patent application documents; that is provided the amendments are limited to eliminating the defects indicated in the rejection decision or re-examination notice.

The amended patent application documents shall be submitted in duplicate.

PATENT RE-EXAMINATION PROCEDURE

The PRB shall forward requests accepted for re-examination to the original examination department of the CNIPA for examination. If the original examination department agrees to cancel the original decision on the basis of the re-examination request, the PRB shall make a corresponding decision upon re-examination and notify the requesting party.

If, after a re-examination, the PRB considers that a re-examination request does not conform to the relevant provisions of the Patent Law, it shall notify the requesting party and require him to make submissions within a prescribed time limit. If no response is made within the time limit, the re-examination request shall be deemed to have been withdrawn. If, after submissions or amendments have been made, the PRB still considers that the re-examination request does not conform to the relevant provisions of the Patent Law, it shall make a re-examination decision confirming its original rejection decision.

If, after a re-examination, the PRB considers that the original rejection decision does not conform to the relevant provisions of the Patent Law or that the amendments made to the patent application documents have eliminated the defects indicated in the original rejection decision, it shall revoke the original rejection decision and the original examination authority shall continue the examination procedure.

[Back to TOC](#)

PART II: PATENT ENFORCEMENT

WITHDRAWING A PATENT RE-EXAMINATION REQUEST

Any party that requests a re-examination may withdraw such a request before the PRB renders its decision.

The re-examination procedure shall be terminated if the party requesting a re-examination withdraws its request before the PRB renders its decision.

PATENT INFRINGEMENT

PATENT INFRINGEMENT BEHAVIOUR

After a patent right for an invention or a utility model is granted, except where otherwise provided for in the law, no entity or individual may, without the permission of the patentee, exploit the patent. More specifically, it/they may not exploit the patent for production or commercial purposes, to manufacture, utilise, offer for sale, sell or import the patented product thereof, or to use the patented process, or to utilise, offer for sale, sell or import the product directly obtained through the said patented process.

After a patent right for a design is granted, no entity or individual may, without the permission of the patentee, exploit the patent; namely, for production or business purposes, to manufacture, offer for sale, sell, or import any product containing the patented design.

INTERPRETATION OF PATENT PROTECTION SCOPE

For the patent right of an invention or a utility model, the scope of protection shall be confined to what is claimed, and the written description and the pictures attached may be used to explain what is claimed.

For the design patent right, the scope of protection shall be confined to the design of the product as shown in the pictures or photographs, and the brief description may be used to explain the said design as shown in the pictures or photographs.

[Back to TOC](#)

DUAL TRACK PROTECTION

China operates a "dual track" mechanism for IP protection. The right holder can either initiate legal proceedings in the court, or file administrative complaints with the local IP administrative authority.

In the event that a dispute arises due to a patent being used without the prior authorisation of the patentee - that is to say an infringement upon the patent right of the patentee - then it shall be settled through consultation involving both parties. In the event that one or both parties are unwilling to submit to consultation, or if the consultation fails, then the patentee or any interested party may initiate legal proceedings in the People's Court, or request the patent administrative department to handle the matter.

The CNIPA may, at the request of the relevant patentee or interested party, deal with each dispute over patent infringement that has a significant impact nationwide.

REVERSE BURDEN OF PROOF FOR PROCESS PATENTS

If a dispute over the infringement upon a patent involves an invention patent for a process facilitating the manufacture of a new product, any entity or individual that manufactures the same product shall provide evidence showing that the process used in the manufacture of their product is different from the patented process.

PATENT EVALUATION REPORT FOR UTILITY MODEL AND DESIGN

Since utility model and design patent applications are not substantively examined, its patent right stability is not presumed. Consequently, the patent evaluation report issued by the CNIPA may be required later on in a patent infringement litigation proceeding involving utility model and design patents.

Where a dispute over patent infringement involves a patent for a utility model or design, the competent People's Court or administrative department for patent work may require the relevant patentee or interested party to issue a patent right evaluation report prepared by the CNIPA. This will be after retrieving, analysing and evaluating the relevant utility model or design as evidence for tying or handling the dispute over patent infringement; and the patentee,

pertinent interested party or alleged infringer may also issue a patent right evaluation report on its own initiative.

DETERMINING PATENT INFRINGEMENT

The Chinese courts have acquired much experience in dealing with patent infringement cases over the years. Below are the principles employed by the court in determining patent infringement involving inventions and utility models.

Literal infringement

Under literal infringement or the so-called "doctrine of full coverage", the alleged infringing product or process reproduces all the necessary technical features of the said technical solution in the claims of the patent. In addition, the alleged infringing product or process fully corresponds to and is identical with all the necessary technical features in the independent claims of the patent.

Doctrine of equivalents

Equivalence infringement, or the doctrine of equivalence, was officially introduced into Chinese patent law legislation in 2009, through the implementation of the Chinese Supreme Court's judicial interpretation, which stated the following:

Equivalent features shall mean features which use identical means to achieve identical functions and realise identical effects, and which can be contemplated by people skilled in the art without creative effort.

The Chinese court has since developed a three-step method to determine equivalence infringement, which is conveniently referred to by the Chinese legal community as the "three (basically identical) plus one (obviousness)" approach.

"Three plus one" approach

Step 1: Ascertain distinguishing technical features

In short, a claim chart will be drafted so that all technical features can be compared one by one. If distinguishing technical features in the claim are identified, which differ from that of the accused product or process, then those features will be further analysed for equivalence infringement.

Step 2: Conduct three "basically identical" assessments

The distinguishing technical features will be compared with the accused infringing features to assess whether they use identical means to achieve functions which are identical and which result in identical effects. Please note that the weight placed on the means versus the functions and effects will be different. Usually, the analysis of the technical means is deemed the most important, while that of the technical functions and effects is secondary. In other words, if the technical means are assessed as being identical, the court will then proceed to the analysis of the functions and effects. If the technical means are found to be different, the court will not consider the functions and effects, as a determination of non-equivalence will have been made.

Step 3: Determine obviousness for the replacement

The obviousness of the replacement is assessed from the point of view of the person skilled in the art, in order to determine whether they can conceive of the replacement of the three identical means/functions/efforts without creative effort. If so, equivalent infringement can be established.

The Chinese court has stressed that equivalent infringement means that the technical features are equivalent, but not the technical solutions as a whole. Therefore, even if the technical solutions as a whole are equivalent, this does not necessarily lead to equivalence infringement. One must break down and analyse the detailed technical features in order to conclude equivalence infringement.

Prosecution history estoppel

The doctrine of estoppel has been recognised and applied in Chinese courts.

In accordance with the doctrine of estoppel, a patentee is prohibited from incorporating the restricted, removed or abandoned contents into the scope of protection for the patent where the patentee had earlier promised to restrict, remove or abandon the scope of protection claimed in the patent to ensure compliance with the novelty and inventiveness requirement.

The estoppel principle should apply on the request of the defendant, and the defendant should furnish the relevant evidence of the plaintiff's estoppel.

[Back to TOC](#)

DETERMINING DESIGN INFRINGEMENT

The precondition for establishing an infringement of patent for design is that the products involved must be of the same category. However, under certain circumstances, designs of similar products may also be deemed as infringements.

For the purpose of establishing infringement, a comparison has been made between the alleged infringing product and the design of the patented product to ascertain whether both products have the same aesthetic appeal. The comparison should focus on the essential part of the design (essential part) created by the patentee that is rich in aesthetic appeal, and on the corresponding part of the alleged infringing product to determine whether the defendant has plagiarised or imitated the part created by the plaintiff.

CONTRIBUTORY INFRINGEMENT

Contributory infringement or indirect infringement occurs when a party intentionally induces, aids and abets another party to infringe a patent right. And this contributory action provides the necessary condition for the other party to directly infringe the patent.

In relation to a product patent, contributory infringement refers to the provision, sale, or import of raw materials or spare parts for the manufacture of the patent product. In relation to a process patent, contributory infringement refers to the provision, sale, or import of material, apparatus or specialised equipment used for the patent process.

DAMAGE AWARDS AND COST RECOVERY

The amount of compensation for infringement of a patent right shall be determined based on the actual loss suffered by the relevant right holder due to infringement, or the benefit derived by the infringer from infringement. Where it is difficult to determine the loss suffered by the right holder or the benefit derived by the infringer, it shall be reasonably determined by reference to a multiple of the patent royalty. In the case of deliberate infringement of the patent right with serious circumstances, the amount of compensation may be determined as between one and five times the amount determined as per the above methods.

[Back to TOC](#)

Where it is difficult to determine the loss suffered by the right holder, the benefit derived by the infringer or the patent royalty, the People's Court may - in light of such factors as patent right type as well as infringement nature and circumstances - determine what compensation is appropriate between CNY30,000 and CNY5 million.

The amount of compensation shall further include reasonable expenses paid by the right holder to stop the infringement.

In order to determine the amount of compensation, where the account books and materials pertaining to the relevant infringement are mainly in the possession of the infringer while the right holder has tried his best to provide proof, a People's Court may order the infringer to provide such account books and materials. If the infringer refuses to provide such account books or materials or provides a false version thereof, the People's Court may determine the amount of compensation with reference to the right holder's claim and proof.

PRELIMINARY MEASURES

China provides three types of preliminary measures, i.e. (1) preliminary injunction; (2) asset preservation order; and (3) evidence preservation order.

Where a patentee or an interested party has evidence proving that any other person is committing, or is about to commit, an act that infringes its patent right or hinders the exercise of its rights - which would cause irretrievable damage to its legitimate rights and interests in the case of failure to be stopped in a timely manner - it may legally apply to the competent People's Court for asset preservation, specific performance or an injunction prior to filing a lawsuit.

In order to stop patent infringement, where any evidence would probably be lost or difficult to obtain thereafter, a patentee or an interested party may apply to the competent People's Court for preservation of evidence prior to filing a lawsuit.

PROVISIONAL PROTECTION OF PUBLISHED PATENTS

After the application for a patent for invention is published, the applicant may demand the entity or individual using the invention to pay an appropriate fee.

STATUTORY LIMITATION PERIOD FOR PATENT INFRINGEMENT LITIGATION

The statute of limitation stipulates three years for infringement of a patent right, commencing from the date on which the relevant patentee or interested party knows or should know of the infringement and the infringer.

Where no royalty is paid as appropriate for use of an invention during the period from the publication of the relevant invention patent application to the granting of the patent right, the statute of limitation stipulates three years for the patentee to claim such royalty; commencing from the date on which the patentee knows or should know that any other person is using its invention. However, if the patentee has known or should know that prior to the date on which the patent right is granted, the period of limitation shall commence from the date on which the patent right is granted.

PATENT LINKAGE SYSTEM FOR PHARMACEUTICAL PATENTS

In the process of review and approval for the marketing of a drug, where a dispute arises between a drug marketing authorisation applicant and the relevant patentee or interested party over the patent right pertaining to the drug under application for registration, the relevant party concerned may file a lawsuit with the competent People's Court. In doing so, it may request a judgment on whether the technical scheme pertaining to the drug under application for registration falls within the scope of protection of any other person's drug patent right. The China FDA may, within the prescribed time limit, make a decision on whether to suspend the approval for marketing of the relevant drug, as per the effective ruling made by the People's Court.

A drug marketing authorisation applicant and relevant patentee or interested party may also request an administrative ruling made by the CNIPA in relation to a dispute over a patent right pertaining to the drug under application for registration.

EXCEPTIONS TO PATENT INFRINGEMENT

None of the following circumstances shall be deemed as infringement upon the patent right:

1. where, after the sale of a patented product or a product directly obtained by using the patented process by a patentee or any entity or individual permitted by the patentee, any other person uses, offers to sell, sells, or imports such product;
2. where, prior to the date of filing of the application for a patent, any person who has already made the identical product, used the identical method, or conducted the necessary preparations for the manufacture or usage, and continues to manufacture the product or use the method only within the original scope;
3. where any foreign means of transport which temporarily passes through the territory, territorial waters or territorial airspace of China uses the patent concerned to satisfy the needs of its own devices and installations; in accordance with any agreement concluded between the country to which the foreign means of transport belongs and China, or in accordance with any international treaty to which both countries are party, or on the principle of reciprocity;
4. where any person uses the patent concerned solely for the purposes of scientific research and experimentation; or
5. where, for the purpose of providing information necessary for administrative approval, any party manufactures, uses, or imports patented medicines or medical equipment or such patented medicines or medical equipment are manufactured or imported specifically for such party.

PRIOR ART DEFENCE

During a patent infringement dispute, if the alleged infringing party has evidence that the technology or design being exploited is part of an existing technology or design, then the acts of the alleged infringing party shall not constitute an infringement on the patent right in question.

EXEMPTION FROM DAMAGES

Any person, who, for production or commercial purposes, uses, offers for sale, or sells a patent infringing product without knowing that it was made and sold without the permission of the patentee concerned, shall not be liable to compensate for the damage if they can prove the product has been obtained from a legitimate source.

[Back to TOC](#)

PATENT COUNTERFEITING

Counterfeiting (i.e. passing off) of patent occurs when one party uses another's patent mark or patent number on products, packaging or advertising and which therefore causes the misunderstanding that these products are patented or that the products are obtained from the patented process.

Liability of patent counterfeiting

Whoever passes off another person's patent shall, in addition to legally assuming civil liability, be ordered by the department in charge of patent law enforcement to make corrections and be subjected to an announcement with its illegal income confiscated and, where necessary, be imposed a fine of not more than five times the illegal income. In the case of no illegal income or if the illegal income is not more than CNY50,000, it may be imposed a fine of not more than CNY250,000; and if a crime is constituted, criminal liability shall be investigated in accordance with the law.

Measures to investigate patent counterfeiting

A department in charge of patent law enforcement shall, when investigating and dealing with any suspected act of passing off another person's patent, based on evidence already obtained, has the right to take the following measures:

1. inquire of the relevant party concerned and investigate the circumstances in relation to the suspected illegal act;
2. conduct on-site inspection of the premises where the relevant party concerned is suspected of committing the illegal act;
3. access and reproduce contracts, invoices, account books and other relevant materials in relation to the suspected illegal act;
4. inspect products in relation to the suspected illegal act; and
5. seal up or seize products that are proved by evidence to pass off another person's patent.

An administrative department for patent work may, when handling a dispute over patent infringement at the request of a patentee or an interested party, take the measures set forth in Item 1, Item 2 and Item 4 of the preceding paragraph.

[Back to TOC](#)

Where a department in charge of patent law enforcement or an administrative department for patent work legally exercises the functions and powers set forth in the preceding two paragraphs, the relevant party concerned shall render assistance and cooperation without refusal or obstruction.

PATENT INVALIDATION

THE PATENT RE-EXAMINATION BOARD

The CNIPA shall establish a Patent Re-examination Board (PRB). The PRB handles both patent re-examination (i.e. review of a patent rejection decision) and patent invalidation.

The PRB shall be composed of technical and legal experts designated by the CNIPA. The person in charge of the CNIPA will serve as the chairman of the Patent Re-examination Board.

TIME LIMIT AND STANDING FOR FILING A PATENT INVALIDATION

Commencing from the date of the announcement of the decision by the CNIPA to grant a patent right, if any entity or individual considers that the granting of the aforementioned patent right does not conform to the relevant provisions of the Patent Law, it or they may request the PRB to declare the patent right invalid.

Therefore, there is no time limit or statutory limitation for filing an invalidation application. Furthermore, any entity or individual will be eligible for filing an invalidation application.

GROUNDINGS FOR PATENT INVALIDATION

Grounds for patent invalidation include the following:

1. a patent is not in conformity with the definition of an "invention" or "utility model" or "design";
2. a patent violates the foreign filing clearance rules;
3. an invention or utility model patent does not possess novelty, inventiveness and practical applicability;

4. a design patent is not novel, and/or is not distinctively different from existing designs or combinations of the features of existing designs;
5. the description of a patent fails to set forth the invention clearly and completely, so as to enable a skilled person to carry it out;
6. the patent claims are not supported by the description and/or the patent claims fails to define the scope of the patent protection in a clear and concise manner;
7. the relevant pictures or photographs submitted by an applicant do not clearly display the design of a product;
8. the amendments made by the applicant go beyond the scope of original disclosure, in the event that the applicant has amended the application or divisional application;
9. the independent claim lacks essential technical features necessary for resolving the technical problem;
10. the subject matter of a patent is in violation of laws and statutes, or is against the public ethics, or will harm the public interests;
11. the content of a patent falls within unpatentable subject matters; and
12. a patent constitutes "double patenting".

PROCEDURE OF PATENT INVALIDATION

The CNIPA shall promptly examine any request for declaring a patent right invalid, make a decision and notify the requesting party and the patentee of its decision. The decision on declaring the patent right invalid shall be registered and announced by the PRB of CNIPA.

To request that a patent right be invalidated or partially invalidated, a written request for invalidation of the patent right and the necessary evidence shall be submitted in duplicate to the PRB. The request for invalidation of the patent shall integrate all the evidence submitted therewith, explain the specific reasons for the invalidation request, and state the evidence on which each reason is based.

Where a request for invalidation of a patent right is not in the prescribed format, the requesting party shall correct it within the

time limit prescribed by the PRB. If no correction is made within the time limit, no invalidation request shall be deemed to have been submitted.

After the PRB accepts an invalidation request, the party making the request may add to the reasons or supplement the evidence for the request during the one month period commencing from the date of submission. The PRB may refuse to consider additional reasons or supplementary evidence submitted after this time limit.

The PRB shall send duplicates of the request for invalidation of a patent right and the relevant documents to the patentee and require the patentee to make submissions within a prescribed time limit.

The patentee and the party requesting invalidation shall respond within the prescribed time limit to the notice of service of documents or the notice of examination of an invalidation request issued by the PRB. Failure to respond within the time limit shall not affect the PRB hearing.

AMENDING THE PATENT DURING THE INVALIDATION PROCEEDING

The patentee of an invention or utility model patent may amend their written claim during the examination procedure for the invalidation request, provided they do not broaden the original scope of patent protection.

The patentee of an invention or utility model patent may not amend their patent specification or drawings and the patentee of a design patent may not amend the drawings, photographs or brief description of the design.

Consequently, amendment of patent documents during the invalidation proceeding should be restricted to the claims. Descriptions and drawings may not generally be amended. For amendment of the claims, the patentee may just recombine the initial claims, for example, to combine several initial claims into a new claim. The patentee shall not add technical features contained in the description and drawings into the claims or broaden the scope of protection of the initial patent.

The patentee of a design patent may not amend the drawings, photographs or brief description of the design.

[Back to TOC](#)

ORAL HEARING

At the request of the parties or if the circumstances of the case require, the PRB may decide to conduct an oral hearing in respect of the invalidation request.

Where the PRB decides to conduct an oral hearing in respect of the invalidation request, it shall issue an oral hearing notice to the parties informing them of the date and place of the oral hearing. The parties shall respond within the time limit prescribed in the notice.

Where the party requesting invalidation fails to respond within the prescribed time limit to the oral hearing notice issued by the PRB and fails to attend the oral hearing, its invalidation request shall be deemed to have been withdrawn. If the patentee fails to attend the oral hearing, such hearing may be conducted *ex parte*.

WITHDRAWING A PATENT INVALIDATION REQUEST

Any party that requests an invalidation may withdraw such request before the PRB renders its decision thereon.

Where, before the PRB makes a decision, the person requesting invalidation withdraws the application or the invalidation request is deemed to have been withdrawn, the re-examination procedures for invalidation requests shall be terminated. However, where the PRB considers that it is able to make a decision on announcing the invalidation or partial invalidation of the patent right on the basis of the re-examination work conducted, the re-examination procedures shall not be terminated.

NON BIS IN IDEM

The PRB shall not accept any further invalidation request made on the same grounds and with the same evidence after the PRB has rendered a decision on an invalidation request.

REMEDY AFTER A PATENT INVALIDATION DECISION

In the event that the patentee or the requesting party is not satisfied with the decision of the CNIPA on declaring the patent right invalid or on affirming the patent right, such party may, within three months

[Back to TOC](#)

from the date of receiving notification of the decision, initiate legal proceedings in a People's Court. The People's Court shall notify the opposite party in the invalidation procedure to appear as a third party in the aforementioned legal proceedings.

EFFECT OF AN INVALIDATION DECISION

Any patent right that is declared invalid shall henceforth be deemed to have never existed.

SCOPE OF RETROACTIVE EFFECT OF AN INVALIDATION DECISION

In principle, a patent invalidation decision shall have no retroactive effect on any official decisions or agreements concluded prior to the patent invalidation declaration. Examples of such official decision or agreements include court judgments, mediation agreements endorsed by the court, settlement agreements between the parties, patent license or assignment agreements. However, compensation shall be made for losses caused to another person *mala fides* by the patentee.

In the event that the patent infringement damages, patent royalties, or the assignment fees for patent rights are not refunded pursuant to the provisions of the preceding paragraph (which constitute blatant violation of the principle of equity), then refund shall be made fully or partly.

PART III: PATENT TRANSACTION

PATENT ENTITLEMENT

The invention usually belongs to one of two categories: service invention, or non-service invention. The general principles laid out are as follows:

- An invention that is accomplished by a person in the course of executing any task for the entity to which such a person belongs, or mainly through taking advantage of the entity's materials or technical resources is a service invention. In terms of a service invention, the right to apply for a patent therefor is vested in the entity. After the relevant application is approved, the entity shall be the patentee. The entity may legally dispose of the right to apply for a patent for its service invention and the patent right, and promote the exploitation and application of the relevant invention.
- For an invention that is accomplished by a person using materials or technical means of an entity to which the person belongs, if the said entity and the inventor or designer have entered into a contract which provides for the ownership of the right to apply for a patent and the patent right, such provision shall apply.

SERVICE INVENTIONS

An invention that is accomplished by a person in the course of executing any task for the entity to which such a person belongs, or mainly through taking advantage of the entity's materials or technical resources is a service invention. Here, the right to apply for a patent therefor is vested in the entity. After the relevant application is approved, the entity shall be the patentee. The entity may legally dispose of the right to apply for a patent for its service invention and the patent right, and promote the exploitation and application of the relevant invention.

In practice, the service invention can cover, for example, the following scenarios.

1. The invention made in the course of one's job;
2. The invention in the performance of a task assigned by the entity other than in the course of one's job;
3. The invention is accomplished primarily utilising the entity's materials or technical resources.

4. Any Invention made within one year of one's retirement, or leaving the original entity, or the termination of one's labour contract, which is related to one's job or in the performance of a task assigned by the original entity.

The term "one's entity" shall include an entity for which one works on a temporary basis.

The phrase "material and technical conditions of one's entity" shall refer to the work unit's funds, equipment, components, raw materials, or technical information not made public, etc.

For an invention that is accomplished by a person using materials or technical means of an entity to which the person belongs, if the said entity and the inventor or designer have entered into a contract which provides for the ownership of the right to apply for a patent and the patent right, such provision shall apply. In other words, contractual agreements take preference in the case of an invention that is accomplished by a person using materials or technical means of an entity to which the person belongs.

NON-SERVICE INVENTIONS

For a non-service invention, the right to apply for a patent belongs to the inventor or designer. After the relevant application is approved, the inventor or designer is the patentee.

COMMISSIONED INVENTIONS

With regard to an invention that is accomplished by an entity or individual under the entrustment of another entity or individual, the right to apply for a patent shall be vested in the entities or individuals that have accomplished the invention, and that has done so under entrustment; unless it is otherwise agreed upon. Once the relevant application is approved, the entity or individual that filed the said application is the patentee.

Therefore, the principle is that contractual agreement takes preference. Without contractual agreement, the right to apply for a patent and the patent right belong to the commissioned party who contributed the innovative efforts for the invention.

[Back to TOC](#)

JOINT INVENTIONS

With regard to an invention that is accomplished by two or more entities or individuals in collaboration, the right to apply for a patent shall be vested in the entities or individuals that have accomplished the invention in collaboration, unless it is otherwise agreed upon. After the relevant application is approved, the entity or individual that filed the said application is the patentee.

Therefore, the principle is that contractual agreement takes preference. Without contractual agreement, the right to apply for a patent and the patent right belong to both parties of a joint invention.

Where the co-owners of the right to apply for a patent or a patent right have concluded an agreement with respect to the exercise of the right, such an agreement shall apply. In the absence of such an agreement, any co-owner may independently exploit the patent, or permit another party to exploit the said patent by means of a non-exclusive license. In the event another party is permitted to exploit the patent, any royalties received shall be distributed among the co-owners.

Except under the circumstances specified in the preceding paragraph, the right to apply for a patent or a patent right that is jointly owned shall be exercised with the consent of all co-owners.

INVENTORSHIP AND REMUNERATION

INVENTORSHIP

The term "inventor" or "designer" shall mean a person that makes a creative contribution to the essential features of an invention or creation. Persons that are responsible only for organising such work, who facilitate only the use of materials and technical conditions, or who engage solely in other support work during the course of the completion of an invention or creation are not inventors or designers.

No entity or individual may prevent the inventor or designer from filing an application for a patent for a non-service invention.

An inventor or designer has the right to be named as such in the patent documents.

[Back to TOC](#)

REMUNERATION FOR INVENTORS OF SERVICE INVENTIONS

The entity that is granted a patent right shall reward the inventor or designer of a service invention and, upon exploitation of the patented invention, shall pay the inventor or designer a reasonable remuneration. What constitutes as a reasonable remuneration will depend on the application scope of the invention and the economic benefits it yields.

The State encourages entities to be granted patent rights to implement property right incentives and adopt such modes as equity, option and dividend to enable the proper sharing of innovation proceeds by inventors or designers.

The entity granted a patent right may agree with the inventor and/or designer on the methods for, and amount of, awards and remuneration. This will be based on the following detailed guidelines.

- Where the entity granted a patent right fails to agree with the inventor and/or designer on the methods for and amount of awards and remuneration, it shall pay a monetary award to the inventor or designer within three months of the date of the patent right announcement. The monetary award for any invention patent shall be no less than CNY3,000, while the monetary award for any utility model patent or industrial design patent shall be no less than CNY1,000.
- Where the recommendations of the inventor or designer are adopted by their entity to complete the invention or innovation, the entity granted the patent right shall pay a monetary award as a priority.
- Where the entity granted a patent right fails to agree with the inventor and/or designer on the methods for, and amount of, awards and remuneration, such entity shall, within the term of the patent right and in utilising the invention or innovation patent, draw no less than 2% of the operating profits derived from the utilisation of the invention or utility model (or 0.2% of the operating profits derived from the utilisation of the industrial design). It shall also pay the same to the patentee or designee by way of remuneration, or shall remunerate the inventor or designer through a one-off payment calculated by reference to the said percentage. Where the entity granted a patent right licenses other entities or individuals to utilise the patent, no less

than 10% of the royalties received shall be paid to the inventor or designer by way of remuneration.

PATENT ASSIGNMENT

RIGHT TO ASSIGN

The right to apply for a patent and the patent right itself may be assigned.

Any Chinese entity or individual that seeks to assign the right to apply for a patent or any patent right to a foreigner, foreign enterprise or any other foreign organisation shall go through appropriate formalities in accordance with the provisions of the relevant laws or administrative regulations.

In practice, the Ministry of Foreign Trade and Economic Corporation (MOFTEC) and the Ministry of Science and Technology (MST) are the competent authorities for the approval of patent assignment to foreigners. However, different rules and procedures will apply according to whether the patented technology belongs to the category of prohibited technology, restricted technology, or freely exportable technology.

ASSIGNMENT CONTRACT

For the assignment of the right to apply for a patent or a patent right, the parties concerned shall conclude a written contract and register it with the patent administrative department under the State Council. The Council will then announce the registration upon completion. Such assignment shall take effect as of the date of its registration.

REGISTRATION OF THE ASSIGNMENT

The contract shall be registered with the CNIPA and the assignment shall be announced. The assignment shall take effect as of the date of registration.

PATENT LICENSE

RIGHT TO LICENSE

Any entity or individual that seeks to use a patent owned by another party shall enter into a license contract for use of the patent with the relevant patentee and pay royalties pertaining to the patent to the patentee. The licensee does not have the right to allow any entity or individual not specified in the contract to use such a patent.

MANNER OF LICENSE

A patent license may be granted in a number of different ways:

1. Sole license, which means the patentee licenses a patent within the stipulated license scope of the patent to only one licensee, and the licensor (i.e. patentee) shall not exploit this patent pursuant to the contractual stipulations.
2. Exclusive license, which means the patentee licenses a patent within the stipulated license scope of the patent to only one licensee. However, the licensor may, at their discretion, use this patent pursuant to the contractual stipulations.
3. Common license, which means the patentee licenses a patent within the stipulated license scope to others, while also retaining the right to use this patent at their discretion.

Where there are no stipulations between the parties on the way of license of a patent, or such stipulations are not clear, the said way of license shall be deemed as a common license. If the contract on license of a patent stipulates that the licensee may sub-license others to use the patent, then such a sub-license may be deemed as a common license, unless otherwise agreed upon between the parties.

OPEN LICENSE

Where a patentee voluntarily makes a statement in writing to the CNIPA stating that it is willing to grant authorisation to any entity or individual to use its patent, while clarifying the methods and standards for the payment of royalties, the CNIPA shall make an announcement thereon and implement open authorisation. Whoever

[Back to TOC](#)

makes a statement on open authorisation in terms of a patent for any utility model or design shall provide a patent right evaluation report.

A patentee intending to withdraw its statement on open authorisation shall propose a withdrawal in writing for further announcement by the CNIPA. The withdrawal of a statement on open authorisation through announcement would have no prejudice as to the validity of prior open authorisation.

Any entity or individual intending to use a patent under open authorisation may obtain the authorisation for using the patent immediately after informing the patentee thereof in writing and paying the royalty. This should be paid as per the methods and standards set out for payment of royalties.

During the implementation of open authorisation, a patentee shall be correspondingly given a reduction in the annual patent fee payable.

A patentee implementing open authorisation may grant a simple authorisation after negotiation with the relevant licensee concerning the royalty, rather than grant sole or exclusive authorisation in terms of the pertinent patent.

COMPULSORY LICENSE

The China Patent Law provides that the CNIPA can grant compulsory license of patents for invention and/or utility model in several scenarios. So far, the CNIPA has not exercised such a right.

NO EXPLOITATION OF PATENT OR MONOPOLISTIC BEHAVIOUR

The CNIPA may, based on the application of any entity or individual that is qualified to use a patent, grant a compulsory license to any such entity or individual in the following circumstances:

- where, within three years as of the date on which the patent right is granted and within four years as of the date of filing the application for a patent, a patentee fails to have the patent practiced, or insufficiently practiced, and does so without legitimate reason; or

- where a patentee's exercise of the patent right is considered in accordance with the law to be monopolistic and its negative impact on competition needs to be eliminated or reduced.

Any entity or individual that applies for a compulsory license based on Item (1) above shall provide evidence demonstrating that it or they have requested permission from the relevant patentee to use the patent in question but have failed to obtain the permission within a reasonable period of time.

If an invention involved in a compulsory license case concerns technology comprised of, or pertaining to, semi-conductors, the use of such an invention shall only be for the public interest and be limited to circumstances specified in Item (2) above.

NATIONAL EMERGENCY OR PUBLIC INTEREST

If a national emergency or an extraordinary state of affairs occurs, or if the public interest requires it, the CNIPA may grant a compulsory license to use the patent.

PUBLIC HEALTH

For the purposes of public health, the CNIPA may grant a compulsory license in order to facilitate the manufacture of patented medicines and their export to countries or regions that comply with the provisions of the relevant international treaties to which the People's Republic of China has acceded.

FUNDAMENTAL TECHNOLOGY

In the event that a later patent represents a major technological advancement of remarkable economic significance over a prior patent, while the use of the later patent is directly dependent upon the authorisation of the prior patent, then the CNIPA may, upon a request from patentee of the later patent, grant a compulsory license to use the prior patent.

Under circumstances where a compulsory license for use of a patent is granted in accordance with the provisions of the preceding paragraph, the CNIPA may, upon the request from the patentee of the prior patent, also grant a compulsory license to use the later patent.

Any entity or individual that applies for a compulsory license based on these grounds shall provide evidence demonstrating that it or they have requested permission from the relevant patentee to exploit the patent in question but have failed to obtain the permission within a reasonable period of time.

GRANTING COMPULSORY LICENSE

The decision made by the CNIPA to grant a compulsory license shall be notified promptly to the relevant patentee, and shall be registered and announced accordingly.

In the decision to grant a compulsory license, the scope and duration of the license shall be determined based on the reasons submitted to justify the grant of a compulsory license. If and when the reasons that prompted the grant of a compulsory license cease to exist and are unlikely to reoccur, the CNIPA may, on the patentee's request, make a decision to terminate the compulsory license after examination.

NO EXCLUSIVE OR SUB-LICENSE RIGHT

Any entity or individual that is granted a compulsory license for use of a patent shall not have an exclusive right to use and shall not have the right to authorise use by any other parties.

REASONABLE ROYALTY

Any entity or individual that obtains a compulsory license for use of a patent shall pay reasonable royalties to the relevant patentee or address the issue of royalties in accordance with the provisions of the relevant international treaties to which the People's Republic of China has acceded. In the event that royalties are to be paid, the specific amount shall be subject to consultation between the two parties. Where the two parties fail to reach an agreement, the CNIPA shall make a ruling.

LEGAL REMEDY

If a patentee is not satisfied with the CNIPA's decision on the grant of a compulsory license, or in the event that a patentee or the entity or individual that has been granted the compulsory license is not satisfied with the ruling as to royalties, the patentee or the entity or individual may (within three months from the date of receiving notification) initiate legal proceedings in the People's Court.

CONTACT

DR JIAN XU

Head of IP Prosecution - China

+86 10 8555 2104
+86 188 1036 1688
jian.xu@gowlingwg.com



Proud to have been the Official Legal
Advisers for the historic Birmingham
2022 Commonwealth Games.

GOWLING WLG (UK) LLP

T +44 (0)370 903 1000

[gowlingwlg.com](https://www.gowlingwlg.com)

Gowling WLG (UK) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at www.gowlingwlg.com/legal

DESIGN0003532

