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Introduction to Utility Model Patents in China

Understanding China's Utility Model Patent Webinar

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Patent Overview

Invention Patent (very similar to US Utility Patent)

- 20 year life
- Substantive examination – interviewing helps

Utility Model Patent (no US parallel)

- 10 year life
- No substantive examination

Design Patent (similar to but not the same as US Design Patent)

- 10-year life (but will change when China joins the Hague Agreement)
- No substantive examination – interviewing again helps

The Utility Model Patent

Why file UM?

- Easy way to get a patent
- Relatively low cost
- Relatively prompt issuance
- Unlike Design patent, scope of protection defined by claims

Why *not* file UM?

- 10 years vs. 20 years
- Invention patent stronger than UMP (no substantive exam)

Tip: File *both* Invention Patent and Utility Model patent applications simultaneously (but ultimately can only have one)

- Once the Utility Model patent is granted, the prosecution of the Invention patent may be allowed to continue

Patent Strategies Compared

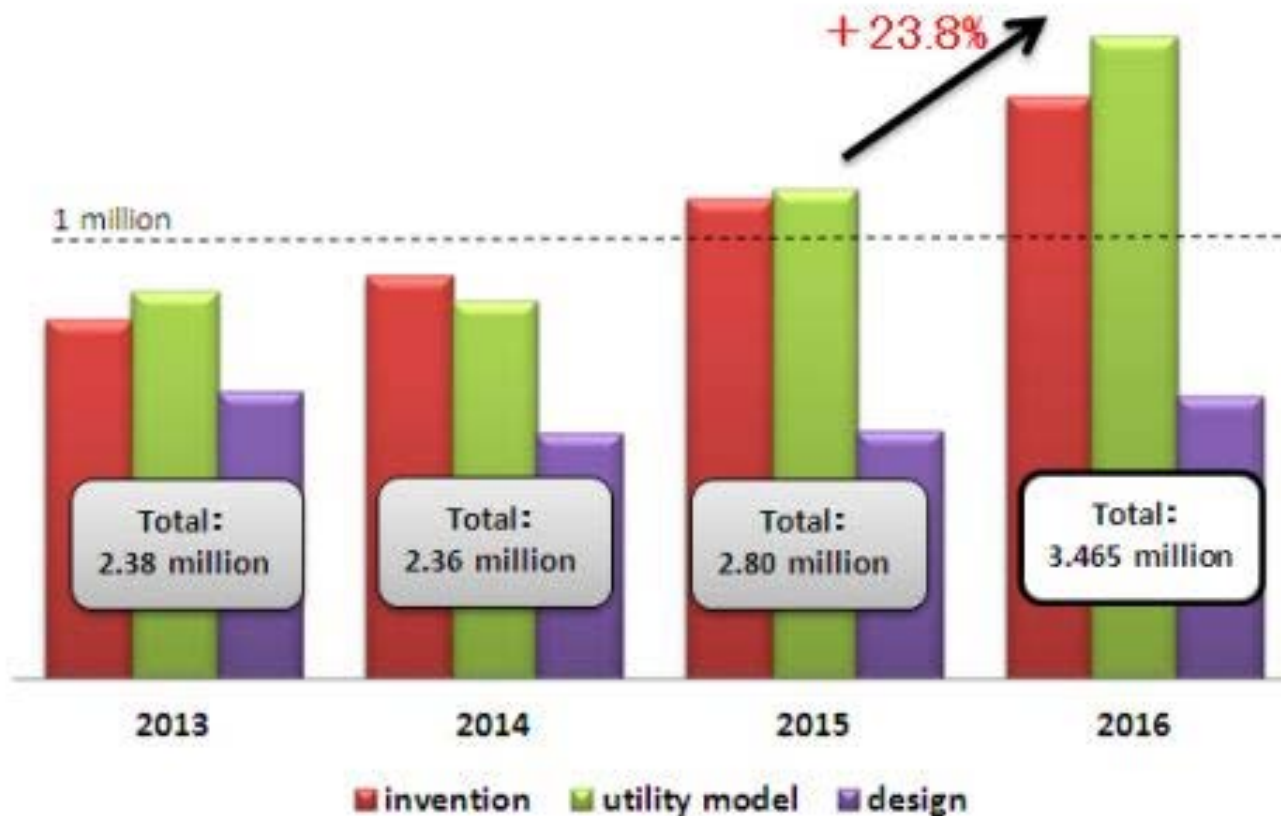
Chinese approach:

- Utility model first, then invention, with design patent last
- Experienced Chinese applicants know that utility model and design patents are typically easier to obtain in China than elsewhere and can be granted for a broader variety of inventions

Foreign approach (particularly US):

- Invention patent first, then design, then utility model
- Even experienced US applicants aren't aware of flexibility of design patents in China and are even less familiar with utility models (but, if aware, sometimes reluctant to file them or simply refuse to file them)

Patents in China – By the Numbers



Patents in China – Breaking Down the Numbers

By the numbers:

In **2017**, SIPO received **3,697,845** patent applications (up 6.3% vs. 2016)

- Invention patent applications: 1,381,594 (up 3.1% vs. 2016)
- Utility model patent applications: 1,476,000 (up 12.5% vs. 2016)
- Design patent applications: 628,658 (down 3.4% vs. 2016)

In **2007**, SIPO received **694,153** patent applications

- Invention patent applications: 245,161
- Utility model patent applications: 181,324
- Design patent applications: 267,668

Patents in China – Breaking Down the Numbers

Trajectory? China's National IP Strategy sets a goal of doubling the number of patent filings between 2015 and 2020

Result: By 2020, **7 million patent applications filed annually** – that is 10 times the number filed with the USPTO

Patent Developments – Utility Model Patent

Current Utility Model Examination Strategies

- Not subjected to substantive examination (not enough examiners)
- Looking for something “abnormal”
- If examiner has independent knowledge or has results (e.g. from a PCT search) can undertake substantive examination based on rule changes
- As to novelty, every incoming UMP application is subjected to “Intelligent Patent Search System”
 - Claims only
 - Database comprises Chinese patents only
 - No plans to expand the data base as of now

Utility Model Patent – Enforcement

A patent but not a patent

- Includes claims, so can enforce along the lines of an invention patent
- But because it is not subjected to substantive examination before grant, courts will stay proceedings pending the provision of an evaluation report issued by SIPO
- *Caveat*. The evaluation report can be a problem for the patentee as there is no opportunity to “re-prosecute” the UMP

China Utility Model Patent Strategy - Summary

1. Finding the right mix of invention, UMP, design patents (present, future)
2. Understanding the value of each from a Chinese POV
3. Making the portfolio China-only
4. Register design patents with the Customs Office but only after evaluation report generated
5. Related issue: Deciding when to enforce – and when not
6. Related issue: Monitoring competitors' patents and applications



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Thank you.

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