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Patents Prosecution in China

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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

Patent Overview

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 Overview

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 – Breaking Down the Numbers

By the numbers:

In **2017**, SIPO (now “NIPA”) received **3,697,845** patent applications

- Invention patent applications: 1,381,594 (2016: 1,338,503)
- Utility model patent applications: 1,687,593 (2016: 1,475,977)
- Design patent applications: 628,658 (2016: 650,344)

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 Law Developments – Fourth Amendment to the Patent Law

- Said by the Legislative Affairs Office of the State Council of China to support China's technology innovation initiatives
- Most significant change is more power to administrative enforcement mechanism, including issuance of injunctions and the assessment of damages, changes which are not being widely embraced
- A positive change is that partial designs will be patentable, this move expanding coverage for design patents from the current (and limiting) "whole design" view (but will also likely lead to more design applications being filed and design patents being granted)
- Another positive change is the raising of the ceiling for punitive damages

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

Patent Developments – Design Patent

Hague Agreement accession – maybe next year?

- Accession would mean a 15-year life for design patents in China
- More attractive, easier to obtain via Hague Registration
- “Functional” subject matter still valid (ornamental features optional?)

China Patent Strategy - Summary

1. Finding the right mix of 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. Making sure your patents are “ready to go” when needed
5. Related to 4, following up with Customs Office registration
6. Related issue: Deciding when to enforce – and when not
7. Related issue: Monitoring competitors’ patents and applications



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Thank you.

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