

What's New



Comparison of the 4th Amendment to the Current China's Patent Law

On October 17th, 2020, *The Decision of the Standing Committee of the National People's Congress to Amend the Patent Law of the People's Republic of China* was adopted and issued at the 22nd Session of the Standing Committee of the Thirteenth National People's Congress of the People's Republic of China. This is the Fourth Amendment to the China's Patent Law, which shall come into force on June 1st, 2021.

The Patent Law of the People's Republic of China is mainly amended in the following 8 aspects:

1. Amendment about Design

China's Patent Law (2008)	China's Patent Law (2021)
Chapter I. General Provisions	Chapter I. General Provisions
Article 2. In this Law, "inventions-creations" mean inventions, utility models and designs.	Article 2. In this Law, "inventions-creations" mean inventions, utility models and designs.
"Invention" means any new technical solution relating to a product, a process or improvement thereof.	"Invention" means any new technical solution relating to a product, a process or improvement thereof.
"Utility model" means any new technical solution relating to the shape, the structure, or their combination, of a product, which is fit for practical use.	"Utility model" means any new technical solution relating to the shape, the structure, or their combination, of a product, which is fit for practical use.
"Design" means any new design of the shape, the pattern, or their combination, or the combination of the color with shape or pattern, of a product, which creates an aesthetic feeling and is fit for industrial application.	"Design" means any new design of <u>the overall or partial</u> shape, the pattern, or their combination, or the combination of the color with shape or pattern, of a product, which creates an aesthetic feeling and is fit for industrial application.

Chapter III. Patent Application	Chapter III. Patent Application
<p>Article 29. Where, within twelve months from the date on which any applicant first filed in a foreign country an application for a patent for invention or utility model, or within six months from the date on which any applicant first filed in a foreign country an application for a patent for design, he or it files in China an application for a patent for the same subject matter, he or it may, in accordance with any agreement concluded between the said foreign country and China, or in accordance with any international treaty to which both countries are party, or on the basis of the principle of mutual recognition of the right of priority, enjoy a right of priority.</p> <p>Where, within twelve months from the date on which any applicant first filed in China an application for a patent for invention or utility model, he or it files with the patent administration department under the State Council an application for a patent for the same subject matter, he or it may enjoy a right of priority.</p>	<p>Article 29. Where, within twelve months from the date on which any applicant first filed in a foreign country an application for a patent for invention or utility model, or within six months from the date on which any applicant first filed in a foreign country an application for a patent for design, he or it files in China an application for a patent for the same subject matter, he or it may, in accordance with any agreement concluded between the said foreign country and China, or in accordance with any international treaty to which both countries are party, or on the basis of the principle of mutual recognition of the right of priority, enjoy a right of priority.</p> <p>Where, within twelve months from the date on which any applicant first filed in China an application for a patent for invention or utility model, <u>or within six months from the date on which any applicant first filed in China an application for a patent for design,</u> he or it files with the patent administration department under the State Council an application for a patent for the same subject matter, he or it may enjoy a right of priority.</p>

2. Amendment about Duration

China's Patent Law (2008)	China's Patent Law (2021)
<p>Chapter III. Patent Application</p> <p>Article 30. Any applicant who claims the right of priority shall make a written declaration when the application is filed, and submit, within three months, a copy of the patent application document which was first filed; if the applicant fails to make the written declaration or to meet the time limit for submitting the copy of the patent application document, the claim to the right of priority shall be deemed not to have been made.</p>	<p>Chapter III. Patent Application</p> <p>Article 30. Any applicant who claims the right of priority <u>to a patent for invention or utility model</u> shall make a written declaration when the application is filed, and submit, within <u>sixteen months from the date on which an application was first filed,</u> a copy of the patent application document which was first filed.</p> <p><u>Any applicant who claims the right of priority to a patent for design shall make a written declaration when the application is filed, and submit, within three months, a copy of the patent application document which was first filed.</u></p> <p>If the applicant fails to make the written declaration or to meet the time limit for submitting the copy of the patent application document, the claim to the right of priority shall be deemed not to have been made.</p>

<p>Chapter V. Duration, Cessation and Invalidation of Patent Right</p> <p>Article 42. The duration of patent right for inventions shall be twenty years, the duration of patent right for utility models and patent right for designs shall be ten years, counted from the date of filing.</p>	<p>Chapter V. Duration, Cessation and Invalidation of Patent Right</p> <p>Article 42. Paragraph 1-2 The duration of patent right for inventions shall be twenty years, the duration of patent right for utility models shall be ten years <u>and the duration of patent right for designs shall be fifteen years</u>, counted from the date of filing.</p> <p><u>Where a patent right for invention has been granted after the expiration of four years from the filing date of the patent application for invention and three years from the date of the request for substantive examination, the patent administration department under the State Council shall, upon the request of the patentee, compensate the duration of patent right for the unreasonable delay in the process of patent grant for invention, except for the unreasonable delay caused by the applicant.</u></p>
--	--

3. Amendment about a Patent Application Does Not Lose its Novelty

China's Patent Law (2008)	China's Patent Law (2021)
<p>Chapter II. Requirements for Grant of Patent Right</p> <p>Article 24. An invention-creation for which a patent is applied for does not lose its novelty where, within six months before the date of filing, one of the following events occurred:</p> <p>(1) where it was first exhibited at an international exhibition sponsored or recognized by the Chinese Government;</p> <p>(2) where it was first made public at a prescribed academic or technological meeting;</p> <p>(3) where it was disclosed by any person without the consent of the applicant.</p>	<p>Chapter II. Requirements for Grant of Patent Right</p> <p>Article 24. An invention-creation for which a patent is applied for does not lose its novelty where, within six months before the date of filing, one of the following events occurred:</p> <p><u>(1) where it was first disclosed for public interest purposes when a national emergency or any abnormal state of affairs occurs;</u></p> <p>(2) where it was first exhibited at an international exhibition sponsored or recognized by the Chinese Government;</p> <p>(3) where it was first made public at a prescribed academic or technological meeting;</p> <p>(4) where it was disclosed by any person without the consent of the applicant.</p>

4. Amendment about Pharmaceutical Patent

China's Patent Law (2008)	China's Patent Law (2021)
	<p>Chapter V. Duration, Cessation and Invalidation of Patent Right</p> <p><u>Article 42. Paragraph 3 In order to compensate for the time taken for the review and approval of new pharmaceuticals appearing on the market, the patent administration department under the State Council shall, upon the request of the patentee, compensate the duration of patent right for invention patents related to new pharmaceuticals which have obtained a license for appearing on the market in China. The compensatory duration shall not exceed five years, and the total valid duration of patent right of the new pharmaceuticals shall not exceed 14 years after it is approved for appearing on the market.</u></p>
	<p>Chapter VII. Protection of Patent Right</p> <p><u>Article 76. In the process of the review and approval of pharmaceutical products appearing on the market, if an applicant of pharmaceutical license for appearing on the market has a dispute with the related patentees or interested parties over the patent right related to a pharmaceutical that has been applied for registration, the parties concerned may institute legal proceedings before the people's court and request a judgment on whether the related technical solution of the pharmaceutical that has been applied for registration falls into the scope of protection of another person's pharmaceutical patent right. The medical products administration under the State Council may, within the prescribed time limit, make a decision on whether to suspend the approval of appearing on the market of relevant pharmaceuticals according to the effective judgment of the people's court.</u></p> <p><u>The applicant of pharmaceutical license for appearing on the market and the related patentees or interested parties may also apply to the patent administration department under the State Council for an administrative adjudication on the disputes over the patent right related to a pharmaceutical that has been applied for registration.</u></p>

	<u>The medical products administration under the State Council shall, in conjunction with the patent administration department under the State Council, formulate specific linking measures of patent right dispute resolution in the stages of approval and application of pharmaceutical license for appearing on the market, which shall be implemented after being approved by the State Council.</u>
--	---

5. Amendment about Administrative Relief of Patent Infringement

China's Patent Law (2008)	China's Patent Law (2021)
Chapter VII. Protection of Patent Right	Chapter VII. Protection of Patent Right
<p>Article 64. When investigating and prosecuting the suspected act of passing off a patent, the administrative authority for patent affairs may, based on the evidence obtained, query the parties concerned, and investigate the relevant circumstances of the suspected illegal act; carry out an on-the-spot inspection of the site where the party's suspected illegal acts took place; review and reproduce the contracts, invoices, account books and other relevant material evidences related to the suspected illegal act; examine the products relevant to the suspected illegal act and may seal up or withhold the products proved to be passing off the patented product.</p>	<p><u>Article 69.</u> When investigating and prosecuting the suspected act of passing off a patent, <u>the authority for patent law enforcement</u> may, based on the evidence obtained:</p> <p>(1) Querying the parties concerned, and investigating the relevant circumstances of the suspected illegal act;</p> <p>(2) Carrying out an on-the-spot inspection of the site where the party's suspected illegal acts took place;</p> <p>(3) Reviewing and reproducing the contracts, invoices, account books and other relevant material evidences related to the suspected illegal act;</p> <p>(4) Examining the products relevant to the suspected illegal act;</p> <p>(5) Sealing up or withholding the products proved to be passing off the patented product.</p> <p><u>When the patentee or the interested party requests handling of a patent infringement dispute, the administrative authority for patent affairs shall adopt the measures in subparagraph (1), (2), (4).</u></p> <p><u>When the authority for patent law enforcement and the administrative authority for patent affairs perform their functions and duties specified in the preceding two paragraphs in accordance with the law, the parties concerned shall assist and cooperate and shall not refuse or interfere the performance.</u></p>

	<p>Chapter VII. Protection of Patent Right</p> <p><u>Article 70. The patent administration department under the State Council shall, upon the request of the patentee or the interested party, handle patent infringement disputes that have significant impact throughout the country.</u></p> <p><u>The administrative authority for patent affairs of local people's government shall, upon the request of the patentee or the interested party, handle patent infringement disputes, and may combine the cases that infringe the same patent right within its own administrative region. For cases involving cross-regional infringement of the same patent right, the administrative authority for patent affairs of local people's government may request the administrative authority for patent affairs of local people's government at a higher level to handle.</u></p>
--	--

6. Amendment about Civil Relief of Patent Infringement

China's Patent Law (2008)	China's Patent Law (2021)
<p>Chapter VII. Protection of Patent Right</p> <p>Article 66. Where any patentee or interested party has evidence to prove that another person is infringing or will soon infringe its or his patent right and that if such infringing act is not checked or prevented from occurring in time, it is likely to cause irreparable harm to it or him, it or he may, before any legal proceedings are instituted, petition the people's court to adopt measures to stop the relevant acts.</p> <p>When a petition is filed, the petitioner shall provide a security; if it or he fails to provide the security, the application shall be rejected.</p> <p>The people's court shall make a ruling within 48 hours after receiving the petition. Where there are special circumstances that require a delayed ruling, the court may make a ruling within another 48 hours. If the ruling is made to stop the relevant act, the ruling shall be enforced immediately. If any interested party is not satisfied with the ruling, it or he may apply for reconsideration once; the enforcement of the ruling shall not be suspended during the reconsideration.</p>	<p>Chapter VII. Protection of Patent Right</p> <p><u>Article 72. Where any patentee or interested party has evidence to prove that another person is infringing or will soon infringe its or his patent right, impeding the implementation of his patent right, and that if such infringing act is not checked or prevented from occurring in time, it is likely to cause irreparable harm to it or him, it or he may, before any legal proceedings are instituted, petition the people's court to adopt the measures of property preservation, order of taking certain acts or preliminary injunction.</u></p>

<p>Where the petitioner fails to institute legal proceedings within 15 days after the people's court issued the ruling to stop the relevant act, the people's court shall lift the measures.</p> <p>Where the petition is made in error, the petitioner shall compensate the respondent for the losses caused by stopping the relevant acts.</p>	
<p>Chapter VII. Protection of Patent Right</p> <p>Article 68. Prescription for instituting legal proceedings concerning the infringement of patent right is two years counted from the date on which the patentee or any interested party obtains or should have obtained knowledge of the infringing act.</p> <p>Where no appropriate fee for exploitation of the invention, subject of an application for patent for invention, is paid during the period from the publication of the application to the grant of patent right, prescription for instituting legal proceedings by the patentee to demand the said fee is two years counted from the date on which the patentee obtains or should have obtained knowledge of the exploitation of his invention by another person. However, where the patentee has already obtained or should have obtained knowledge before the date of the grant of the patent right, the prescription shall be counted from the date of the grant.</p>	<p>Chapter VII. Protection of Patent Right</p> <p><u>Article 74.</u> Prescription for instituting legal proceedings concerning the infringement of patent right is <u>three years</u> counted from the date on which the patentee or any interested party obtains or should have obtained knowledge of the infringing act <u>and the infringer.</u></p> <p>Where no appropriate fee for exploitation of the invention, subject of an application for patent for invention, is paid during the period from the publication of the application to the grant of patent right, prescription for instituting legal proceedings by the patentee to demand the said fee is <u>three years</u> counted from the date on which the patentee obtains or should have obtained knowledge of the exploitation of his invention by another person. However, where the patentee has already obtained or should have obtained knowledge before the date of the grant of the patent right, the prescription shall be counted from the date of the grant.</p>
<p>Chapter VII. Protection of Patent Right</p> <p>Article 63. Where any person passes off a patent, he shall, in addition to bearing his civil liability according to law, be ordered by the administrative authority for patent affairs to correct his act, and the order shall be announced. His illegal earnings shall be confiscated and, in addition, he may be imposed a fine of not more than four times his illegal earnings and, if there is no illegal earnings, a fine of not more than RMB 200, 000 Yuan. Where the infringement constitutes a crime, he shall be prosecuted for his criminal liability.</p>	<p>Chapter VII. Protection of Patent Right</p> <p><u>Article 68.</u> Where any person passes off a patent, he shall, in addition to bearing his civil liability according to law, be ordered by <u>the authority for patent law enforcement</u> to correct his act, and the order shall be announced. His illegal earnings shall be confiscated and, in addition, he may be imposed a fine of not more than <u>five times</u> his illegal earnings and, if there is no illegal earnings <u>or illegal earnings are less than RMB 50,000 Yuan, a fine of not more than RMB 250,000 Yuan.</u> Where the infringement constitutes a crime, he shall be prosecuted for his criminal liability.</p>

Chapter VII. Protection of Patent Right

Article 65. The amount of compensation for the damage caused by the infringement of the patent right shall be assessed on the basis of the actual losses suffered by the right holder because of the infringement; where it is difficult to determine the actual losses, the amount may be assessed on the basis of the profits the infringer has earned because of the infringement. Where it is difficult to determine the losses the right holder has suffered or the profits the infringer has earned, the amount may be assessed by reference to the appropriate multiple of the amount of the exploitation fee of that patent under a contractual license. The amount of compensation for the damage shall also include the reasonable expenses of the right holder incurred for stopping the infringing act.

Where it is difficult to determine the losses suffered by the right holder, the profits the infringer has earned and the exploitation fee of that patent under a contractual license, the people's court may award the damages of not less than RMB 10, 000 Yuan and not more than RMB 1, 000, 000 Yuan in light of such factors, as the type of the patent right, the nature and the circumstances of the infringing act.

Chapter VII. Protection of Patent Right

Article 71. The amount of compensation for the damage caused by the infringement of the patent right shall be assessed on the basis of the actual losses suffered by the right holder because of the infringement **or** the profits the infringer has earned because of the infringement. Where it is difficult to determine the losses the right holder has suffered or the profits the infringer has earned, the amount may be assessed by reference to the appropriate multiple of the amount of the exploitation fee of that patent under a contractual license. **For willful patent right infringement, if serious, the multiplied amount of compensation may be determined within the range from one to five times of the amount determined by the above-mentioned principles.**

Where it is difficult to determine the losses suffered by the right holder, the profits the infringer has earned and the exploitation fee of that patent under a contractual license, the people's court may award the damages of **not less than RMB 30,000 Yuan and not more than RMB 5,000,000 Yuan** in light of such factors, as the type of the patent right, the nature and the circumstances of the infringing act.

The amount of compensation for the damage shall also include the reasonable expenses of the right holder incurred for stopping the infringing act.

In order to determine the amount of compensation, the people's court shall order the infringer to provide account books and material evidences related to the infringing facts when the right holder has tried his best to provide the proof, as the above-mentioned account books and material evidences are mainly in the possession of the infringer; if the infringer does not provide or provides false proof, the people's court may determine the amount of compensation by referring to the claims and proof provided by the right holder.

7. Amendment about Patent Monopoly

China's Patent Law (2008)	China's Patent Law (2021)
	<p>Chapter I. General Provisions</p> <p><u>Article 20. The applying for patent and the implementation of the patent right shall follow the principle of good faith. The patent right shall not be abused to damage the public interest or another person's legal rights.</u></p> <p><u>Those who abuse the patent right, exclude or restrict competition, which constitutes monopoly behavior, shall be dealt with the Antimonopoly Law of the People's Republic of China.</u></p>

8. Amendment about Patent License

China's Patent Law (2008)	China's Patent Law (2021)
Chapter VI. Compulsory License for Exploitation of a Patent	<p>Chapter VI. Special License for Exploitation of a Patent</p> <p><u>Article 48. The patent administration department under the State Council and the administrative authority for patent affairs of the local people's government shall, in conjunction with the relevant departments at the same level, take measures to strengthen the public service for patents and promote the implementation of patents.</u></p>
	<p>Chapter VI. Special License for Exploitation of a Patent</p> <p><u>Article 50. Where the patentee voluntarily declares in written form to the patent administration department under the State Council that he is willing to license any entity or individual to exploit his patent, and specifies the payment method and standard of the licensing fee, the patent administration department under the State Council shall make a public announcement and implement the open licensing. When an open licensing declaration is made for patents for utility models or designs, an evaluation report of patent shall be provided.</u></p>

	<p><u>Where the patentee withdraws the declaration of open licensing, it shall be made in written form and announced by the patent administration department under the State Council. Where the declaration of open licensing is withdrawn by an announcement, it shall not affect the effect of the open licensing previously signed.</u></p>
	<p>Chapter VI. Special License for Exploitation of a Patent</p> <p><u>Article 51. Any entity or individual that intends to exploit the open-licensed patent shall notify the patentee in written form, and obtain the patent exploitation license after paying the licensing fee in accordance with the announced payment method and standard.</u></p> <p><u>During the period of exploitation of the open licensing, the annual fee paid by the patentee shall be reduced or exempted accordingly.</u></p> <p><u>The patentee who exploits an open licensing may sign a non-exclusive license after reconciling with the licensee on the licensing fee, but shall not sign a sole or exclusive license to the patent.</u></p>
	<p>Chapter VI. Special License for Exploitation of a Patent</p> <p><u>Article 52. Where any parties concerned involving in a dispute over the implementation of the open licensing, the parties concerned shall settle the dispute through reconciliation; where the parties concerned are unwilling to consult or fail to reach an agreement through reconciliation, they may request the patent administration department under the State Council for mediation, or institute legal proceedings before the people's court.</u></p>

Newsletter from Tee & Howe Intellectual Property Attorneys

Address: Suite 5-12, 5th Floor, Tower W1, The Tower Offices, Oriental Plaza,
No.1 East Chang'an Avenue, Dongcheng District, Beijing 100738, China

Tel: (86 10) 8529 5526

Fax: (86 10) 8529 5528

Email: teehowe@teehowe.com

Website: www.teehowe.com

Wechat Account QR Code:



Beijing

Japan

Germany

Changsha

Disclaimer: The text of this newsletter is for information purpose only. Tee & Howe disclaims any legal responsibility for any actions you may take based on the text in this newsletter.