



www.deqi-iplc.com

IN THIS ISSUE

CHINA IPR NEWS

1. Trademark Applications on Pace to Hit Record High This Year 1
2. Measures for Recordation of Patent License Contracts implemented as of August.1st, 2011 1
3. 234 Taiwanese registered for the Patent Bar Examination 2

TRADEMARK PRACTICE

1. The 2nd Amendment to Chinese Trademark Law 2

PATENT PRACTICE

1. A brief look at Chinese utility model system 3

Q & A China

5



CHINA IPR NEWS

1. Trademark Applications on Pace to Hit Record High This Year

According to the State Administration for Industry and Commerce (SAIC), applications for trademark registration nationwide in the first half of 2011 increased by 34.84% and are expected to hit a new record in the remaining half.

In 2010, SAIC received its first one million applications for trademark registration and remained No.1 of the world for the ninth straight year. Calculation indicates that China is now home to 9 million applications after absorbing 8.3 million at the end of 2010. In parallel, trademark examination advanced with 1.48 million applications completed, well over the expected goal of 1.4 million. In addition, numbers of pending cases dropped significantly and the period of pending was curtailed from more than 36 months to less than 1 year. Source:<http://ip.people.com.cn/GB/15361493.html>

2. Measures for Recordation of Patent License Contracts implemented as of August 1st, 2011

Compared with the old measures, the new Measures further simplify and improve the procedures of recordation in the following aspects:

- Allows the parties to furnish the recordation procedures by the means of mail, direct submission etc.

- Delete the requirement of duplicate application documents.

- Add the announcement information of the recordation on the Patent Gazette, like the "licensing period".

- Add the provisions of rejection and cancellation of the recordation, for purpose of improving recordation procedures, regulating recordation actions, and better protecting interest of related parties and the public.

-Replace the “application form for recordation signed or sealed by both the licensor and licensee” by “application form signed or sealed by the licensor or its entrusted agency”, which is more convenient for foreign applicants.

Source:http://www.cnipr.com/news/gndt/201108/t20110808_134980.html

3. 234 Taiwanese registered for the Patent Bar Examination

From 18th July to 5th August, 234 Taiwanese passed the qualification check of patent bar examination at the Fuzhou text center and will take the examination in November.

It is the first time open to Taiwanese to participate the exam in 2011. According to the relevant provisions of the State Intellectual Property Bureau, after passing the exam and securing a patent agent qualification certificate, Taiwan participants will then need a one-year internship at a patent agency on the mainland before becoming eligible for a license to practice. The new policy will not only abstract more patent talents from Taiwan to enrich the agency team in mainland, but also provide more commercial and employment opportunities for Taiwan people.

Source:http://www.sipo.gov.cn/yw/2011/201108/t20110810_615840.html

TRADEMARK PRACTICE

The Second Amendment to Chinese Trademark Law

By Jiayan Xie

“Trademark Law of the People’s Republic of China” (hereinafter referred to as “Trademark Law”) was first adopted on August 23, 1982 and entered into force on March 1, 1983. Later the Trademark Law was amended twice, on February 22, 1993 and October 27, 2001, respectively. This article will mainly introduce the second amendment, which makes the Trademark Law into the current enforceable version “2001 Trademark Law”.

Background of the Second Amendment

This amendment was under the background of China’s accession into World Trade Organization. According to “Trade-Related Intellectual Property Agreement” (hereinafter referred to as “TRIPs”), which is an important legal document of World Trade Organization, member country’s protection for intellectual property shall be on the level as provided by the TRIPs, however Chinese Trademark Law of 1993 did not meet the requirements of “TRIPs”. In order to enter into the World Trade Organization and to comply with the inherent requirements of economy development and furtherance of reform and opening-up, China amended the “Trademark Law”, based on the specific requirements of TRIPs and China’s actual situations at that time.

Main Content of the Second Amendment

Compared with the 1993 Trademark Law, the 2001 amendments are as follows:

1. Expand the scope of subject

As provided in the 1993 Trademark Law, foreign natural persons are allowed to submit the application for trademark registration, while the domestic natural persons (except the individual producers and traders) are not allowed. This limitation was canceled by the 2001 amendments,

2. Expand the scope of object

Three-dimensional mark and color combination trademark are allowed to be protected. And protection for collective mark, certification mark and geographical indication are provided.

3. Improve the registration process

The amendments on substantial examination include:

1) Improve the provisions to refuse the marks which are identical with or similar to the national name, national flag, national emblem, military flag of any foreign country and the name, flag, emblem of any intergovernmental international organization.

2) Add the provision of protection for well-known trademark.

3) Add the provision that agent and representative are forbidden to register trademarks with bad faith.

4) Add the provision of protection for prior rights.

There are also amendments on procedure matters for trademark registration, such as adding the provision of priority right and time limit of application and review examination.

4.Strengthen the judicial supervision

Before the 2001 Trademark Law, the Trademark Review and Adjudication Board is authorized to make the final adjudication on disputes of trademark right. In order to meet the requirements of TRIPs, the second amendment added the provision that the party may bring a suit before a people's court if he is not satisfied with the adjudication made by the Trademark Review and Adjudication Board.

5.Strengthen the protection efforts

1) Increase the penalty to the trademark infringement by the administrative department of industry and commerce.

2) Increase the compensation to the trademark right owner.

3) Add the provision that the infringer shall compensate the reasonable expenses paid by the right owner to stop the infringement;

4) Add the provision of legal compensation.

6.Strengthen the judicial protection

The amendment added provisions of proceeding injunction, evidence preservation and property preservation.

Problems of the Second Amendment

After the 2001 amendment, Chinese Trademark Law basically meets the requirements of TRIPs. Nevertheless, in the practice there are still problems:

The procedure of trademark right confirmation is complicated and time –consuming.

Deficiencies in the registration procedure make the

party unable to gain a registered trademark easily and rapidly;

Bad-faith applications for trademark registration, bad-faith oppositions, bad-faith transfer of registered trademark etc. infringe the right owner's lawful rights and benefits seriously;

Specific provisions on administrative enforcement procedure still lacks and the punishment to the infringers is still not enough.

Due to the practical problems in the implementation of the 2001 Trademark Law, since 2003 the third amendment of "Chinese Trademark Law has been promoted.

PATENT PRACTICE

A brief look at Chinese utility model system

By QuanKang & ZhengyunLuo

Chinese utility models mean new technical solutions proposed for the shape or structure of a product, or the combination thereof, which are fit for practical applicability. The shape of a product refers to certain space-shape possessed by the product, which can be observed from the outside; and the structure of a product refers to the arrangement, organization or correlation of each part of a product. The structure of a product may either be the mechanical structure or the circuit structure, but cannot be the micro structure of matters or materials. In other words, the utility model patent protects only a product with certain shape or structure, and doesn't provide protection to the creativeness of a method or a material.

In China, the examination of a utility model patent application follows a preliminary examination system, in other words, the examiner shall only examine whether the application documents are complete and fit the requirements, and whether obvious substantive defects exist in the documents, while the novelty and inventiveness generally are not examined. As a result,

compared with the invention patent application, the utility model patent application can be granted within a shorter period of time and with a fairly lower fee. Specifically speaking, it takes roughly 3-5 years for an invention patent application to be granted, and 0.5-1 year for a utility model patent application,, moreover the total cost of a utility model patent is 40% less than that of an invention patent..

In the invalidation procedure, the Patent Reexamination Board shall still carry out the principle that the inventiveness requirement to the utility model is lower than to the invention. Specifically speaking, as compared with the prior arts, an invention patent shall have prominent substantive features and represent notable progress while a utility model patent only needs to have substantive features and represent progress. In the patent practice, the evidence documents, which are cited to evaluate the inventiveness of a utility model, are usually limited to the same field, but shall not extend to the technologies of any adjacent or related technical fields. In addition, generally the evidence documents shall not be more than two, while more than two documents can be cited to evaluate the inventiveness of an invention patent.

Therefore, the applicant can via the utility model system to protect those technical solutions, which have little notable technical improvements but obvious market effect and so that may not be authorized as an invention patent. Moreover, despite that the effect duration of the utility model patent is 10 years, which is shorter than 20 years of the invention patent, the protection efforts of utility model patent and invention patent are just the same, and there are only some little differences in the procedure.

For instance, in the infringement proceedings, where the defendant submits a request for invalidation of the disputed patent to the Patent Reexamination Board with the reason that the patent has lost the patentability, if the disputed patent is an invention patent, generally the court shall not make the suspension of the proceedings; if a utility model patent, usually the court shall suspend the

trial process to wait for the Patent Reexamination Board's decision whether the disputed patent has patentability and later continue the trial. This is because the utility model patent shall not be substantively examined. However, if the plaintiff can provide a "Patent Evaluation Report" (we will introduce later), which shows that after a search no technical literatures leading to the loss of novelty and inventiveness of the utility model patent was found, the court can continue the infringement proceedings without any suspension.

In order to compensate the shortcomings of the utility model patent, such as greater likelihood of invalidation declaration, less legal stability, the system of patent evaluation report was established for the utility model patent. In this "Patent Evaluation Report", the utility model patent is evaluated, in order to help the patent owner gain a correct understanding of the legal stability of the utility model patent, while at the same time in the infringement procedure this report can help to shorten the course of proceedings and reduce the parties' litigation exhaustion.

The "Patent Evaluation Report" is an evaluation report about the patentability of a utility model patent made by the SIPO after retrieval, analysis and evaluation, which is similar to substantive examination of the invention patent. This report includes SIPO's judgments, whether the utility model is in accordance with all the substantive conditions of patentability, and the reasons or causes of the judgments aforementioned. The "Patent Evaluation Report" can be used as court evidences, but it is not an administrative decision, hence even though the petitioner has oppositions to the substantial reasons and conclusions of the "Patent Evaluation Report", there is no follow-up program which provides the opportunity to defend or modify.

The utility model patent is to protect "the innovation between the invention and design." Although compared with the invention patent, the utility model patent doesn't have a long term protection or right stability, its authorization is relatively easy, fast and inexpensive, and with the same protection efforts, so it is also a Choice for

clients other than the invention patent. If the utility model can be used flexibly, in particular, if it can be used in combination with the invention, we believe that foreign clients can complete their full range intellectual property strategy and layout in China, and it will bring even greater benefits to the clients.

Q & A China

Regarding entry into the Chinese national phase base on a PCT international patent application, please provide us with the following information:

1. Can we file a reduced claim set at a later date;
2. Are there additional fees required for excess claims; and
3. Does the translation need to be filed at the time of filing?

----From USA

We are pleased to respond to you as follows:

1. It's allowable to file a reduced claim set at a later date in accordance with the relevant provisions of the Chinese Patent Law.
2. Additional fee for claims in excess of 10 shall be paid, and such fee shall be calculated based on the number of claims in the PCT publication and could not be saved by a reduced claim set.
3. Where an international application is filed in a foreign language, its Chinese translation shall be submitted at the same time of entering the national phase.

(end)

Copyright © 2011 Deqi Intellectual Property Law Corporation . All Rights Reserved.

Contact us:

Tel: + 86 10 82339088

Fax: + 86 10 82331881

E-mail: mail@deqi-iplc.com

Address: 7/F, Xueyuan International Tower, No. 1 Zhichuan Road, Haidian District, Beijing, P.R.China

Postcode: 100083

Website: www.deqi-iplc.com