

Patent Prosecution Challenges in China

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Agenda

One

General Profile of current
Chinese patent development

Two

Patent prosecution challenges to different
parties in China

Three

Most disputing issues in Chinese patent
prosecution

Four

Summary and Q&A

Part One

General Profile of current Chinese patent development

1. Policy and Legislation
2. SIPO
3. New Changes and Developments

Part One

1. Policy and Legislation

(1) According to the Third Plenary Session of the CPC Central Committee held in last November, China will establish Special Intellectual Property Court within short time, most possibly in 2015.

(2) Beijing government has been going ahead firstly and Within 2014 Beijing will establish the first Intellectual Property Court in China.

Part One

1. Policy and Legislation

(3) According the amended Patent Examination Guidelines, GUI has been adopted as one of the subject matters to be protected as design patent effective as of May 1, 2014.

(4) Willful patent infringement will be considered under the discussing patent law amendment/new judicial interpretations, and punitive damages (up to three times of the statutory damages) will be adopted by the Courts.

Part One

2. SIPO

(1) Special “6+1”

There are seven Examining Centers around China to examine Patent applications: Beijing, Guangdong (Guangzhou), Jiangsu (Suzhou), Tianjin, Hubei (Wuhan), Henan (Zhengzhou) and Sichuan (Chengdu).

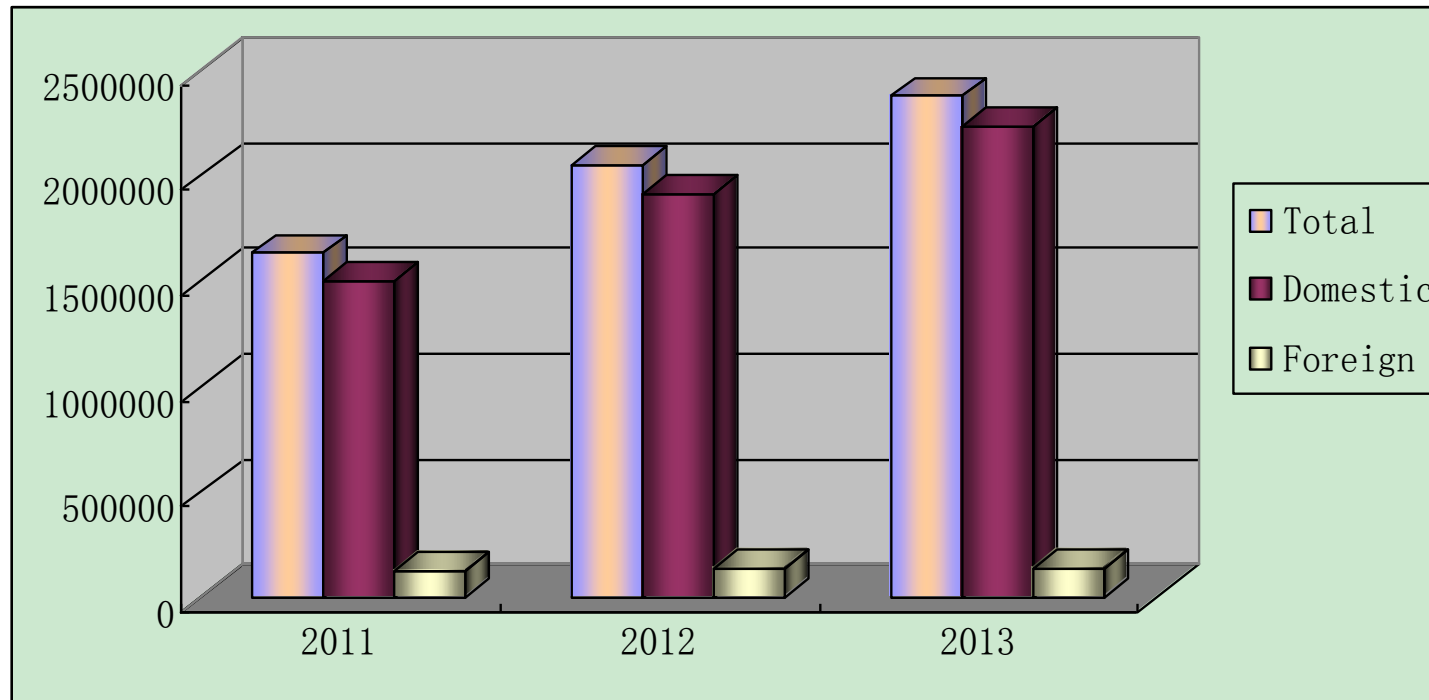
Within last three years there are nearly 20,000 new university graduates joined SIPO and became examiners.



Part One

2. SIPO

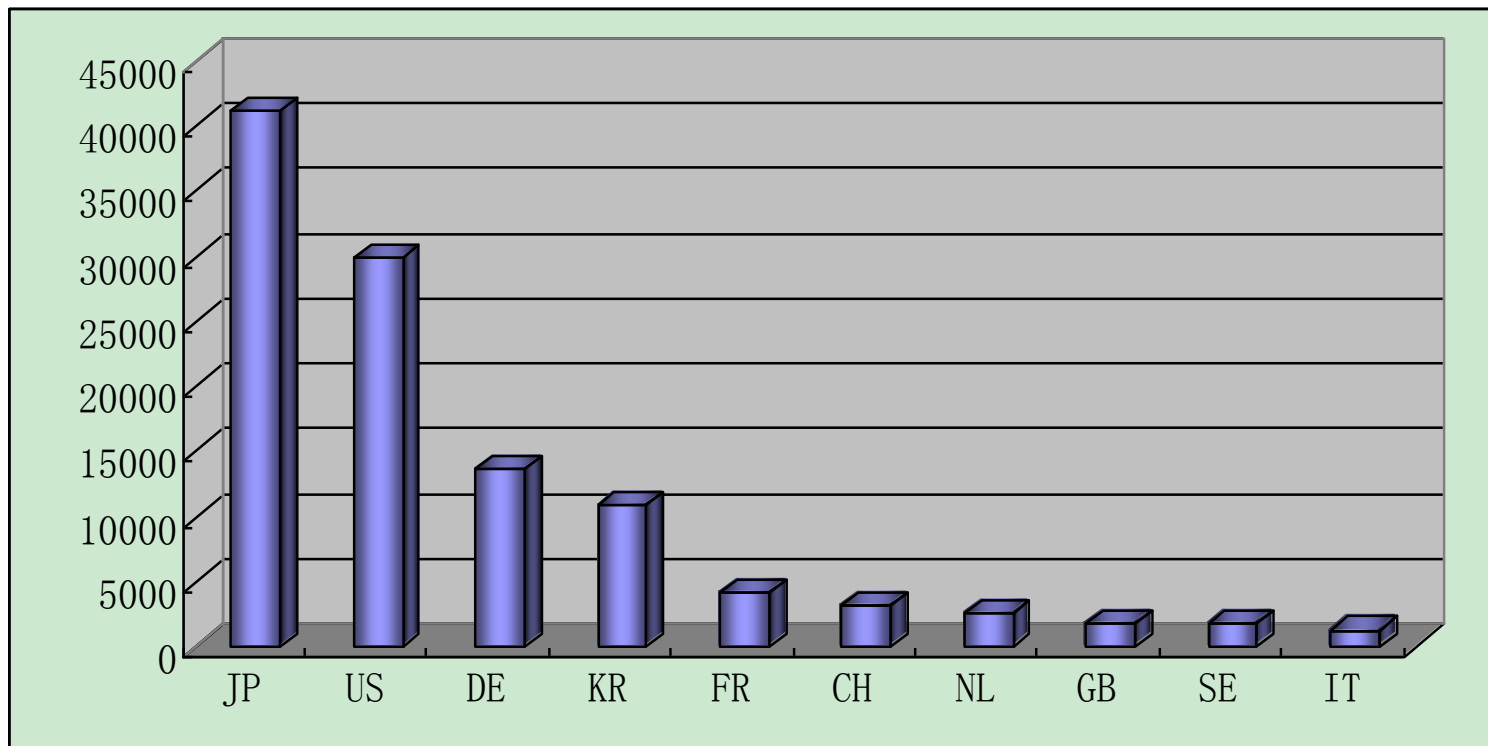
(2) Statistics in 2013: Applications in 2013



Part One

2. SIPO

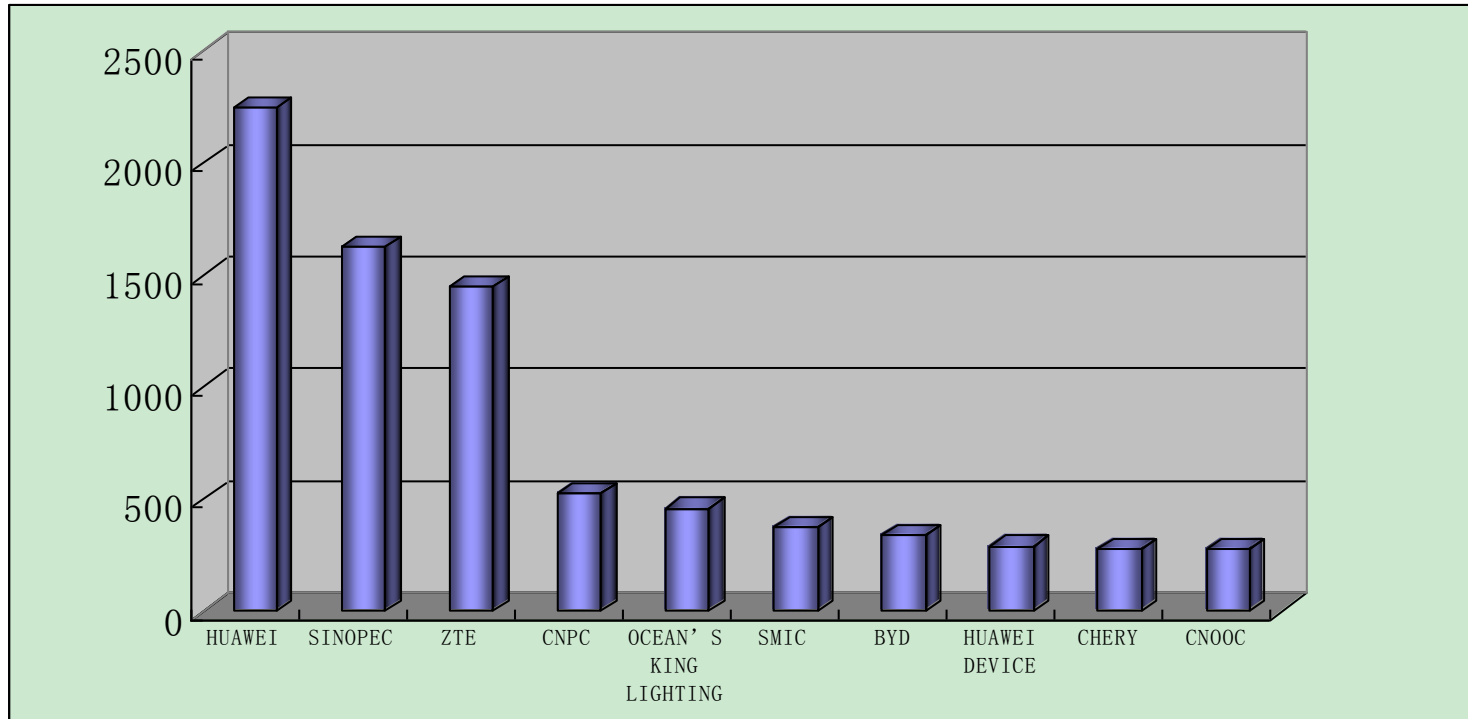
(2) Statistics in 2013: Top ten foreign countries



Part One

2. SIPO

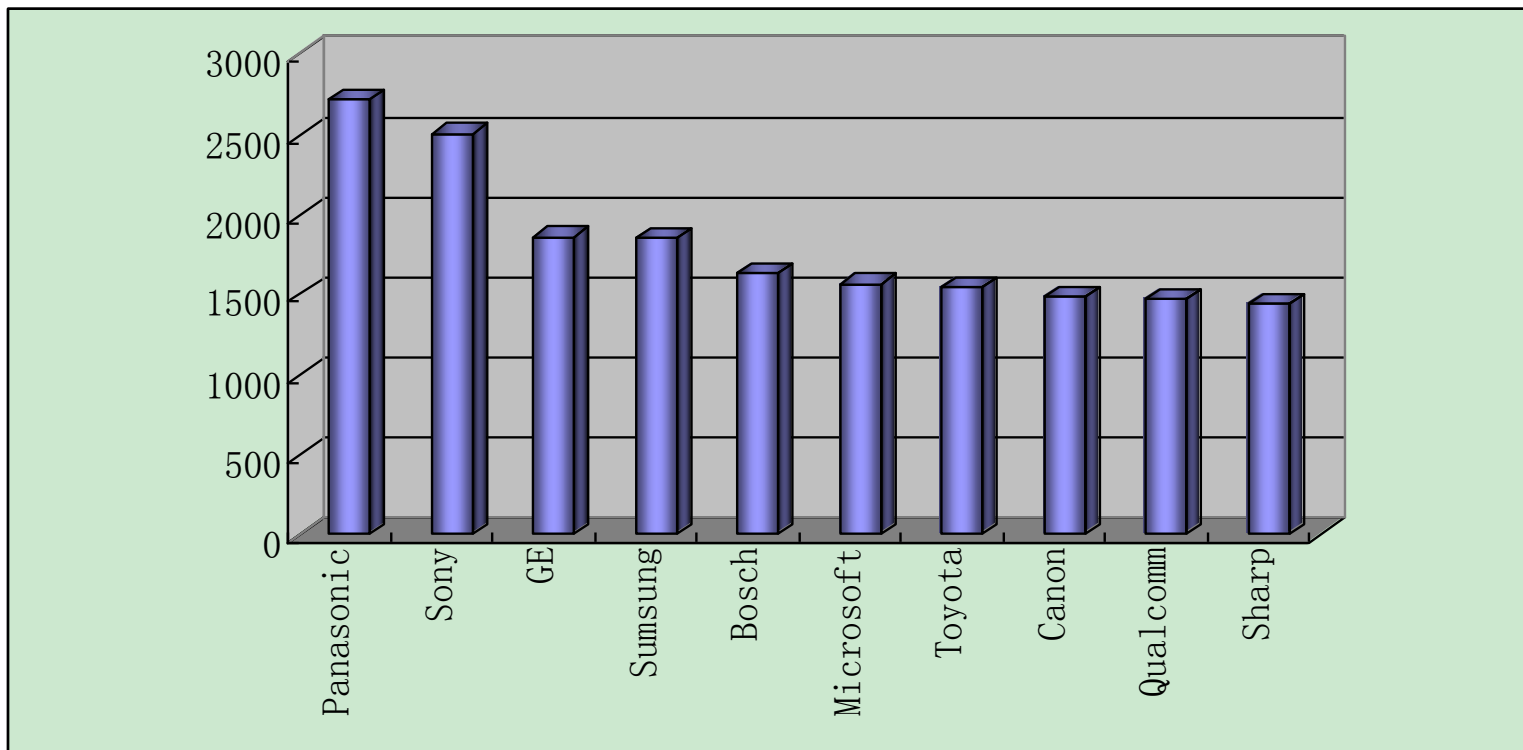
(2) Statistics in 2013: Top ten Chinese applicants



Part One

2. SIPO

(2) Statistics in 2013: Top ten foreign applicants



Part One

3. New Changes and developments

(1) New SIPO Commissioner and possible attitude

Professor Dr. Changyu Shen, a former professor and

President of Dalian University of Science and Technology

Academician of the Chinese Academy of Sciences,

Technology-oriented and will focus more on quality and

Inventiveness of invention patent application



Part One

3. New Changes and developments

(2) Possible merger of SIPO with other governmental authority

Possible governmental authorities will be the Ministry of Science and Technology, Ministry of Commerce, or merged Ministry of Education and Ministry of Culture.

Possibly Ministry of Science and Technology

Part One

3. New Changes and developments

(3) Joint Fact Sheet on Strengthening U.S.-China Economic Relations

(issued on December 5, 2013)

“China affirms that the Chinese Patent Examination Guidelines permit patent applicants to file additional data after filing their patent applications, and that the Guidelines are subject to Article 84 of the Law on Legislation, to ensure that pharmaceutical inventions receive patent protection. China affirms that this interpretation is currently in effect.”

Personal point: A large breakthrough to Article 26(3) of Patent Law

Part Two

Patent prosecution challenges in China to different parties

1. Challenges to SIPO
2. Challenges to applicants
3. Challenges to Chinese patent firms

Part Two

1. Challenges to SIPO

- (1) Different standard of examination in patent prosecution, reexamination and invalidation
- (2) Huge number of applications to be examined in SIPO
- (3) Huge number of graduated students being absorbed into SIPO, but more experienced examiners left and joined IP firms or companies due to personal development

Part Two

2. Challenges to applicants

(1) Longer examining procedure due to huge number of applications

(2) More strict examination requirements:

Typical issues are----

Non-obviousness, Amendment, Support by Description to claims,
Sufficient Disclosure

(3) More unskilled examiners, more applications examined out of Beijing and more OAs issued

Part Two

3. Challenges to Chinese patent firms

- (1) More and more small and new firms emerging
- (2) Price competition vs. quality service and Simple translation service vs. Full scope patent service
- (3) Insufficient number of patent talents

Part Three

Most disputing issues in patent prosecution in China

1. Amendment of claims and description during prosecution
2. Software-related subject matters
3. Sufficient disclosure

Part Three

1. Amendment of claims and description during prosecution

(1) Corresponding provisions, regulations and guideline stipulations

Article 33: An applicant may amend his or its application for a patent, but the amendment to the application for a patent for invention or utility model may not go beyond the scope of disclosure contained in the initial description and claim.

Guidelines: The scope of disclosure contained in the initial description and claim includes the (1) contents described in the initial description and claims, and the (2) contents determined directly and unambiguously according to the contents described in the initial description and claims, and the drawings.

Part Three

1. Amendment of claims and description during prosecution

(2) Debating issues

a. Literal contents: wordings, technical terms,

2) Determined contents: directly and unambiguously? prior art?
subjective or objective? A skilled in the art?

Part Three

1. Amendment of claims and description during prosecution

(3) Example and Solution

ZL 00121800.4, Seiko Epson Corporation, “Inkjet Cartridge”

Background: Epson amended the technical features “semiconductor memory device” in independent claim as “memory device”. SIPO rejected the amendment, however, Epson argued that “memory device” in dependent claim means the “semiconductor memory device” in the description and it is just used for short. SIPO accepted the limitation and granted a patent right. A third party filed an invalidation on the grounds that “the amendment going beyond the initial scope of disclosure”, and PRB invalidated this patent. Beijing 1st Court maintained PRB’s decision. However, finally Beijing High Court overruled the decision of PRB and Beijing 1st Intermediate Court.

Part Three

1. Amendment of claims and description during prosecution

(3) Example and Solution

Beijing High Court's attitude:

When making judgment for amendment (going beyond the initial scope of disclosure), it is very important to correctly understand the meaning of technical terms, and a skilled in the art should be the subject to make decision . The understanding should combine the whole context of the description and common knowledge in the art and make a comprehensive consideration.

Part Three

1. Amendment of claims and description during prosecution

(3) Example and Solution

My points: The technical term(s) used in the claims firstly should be given the general meaning usually understood in the art. So if in the description the term is limited as a specific meaning, in claims a corresponding specific lower level technical feature should adopted but not a generic upper level technical feature.

So I fully agree with Beijing High Court's points that the real meaning of a technical term is important, and a skilled in the art should be the subject to make decision. However, I do not agree with the conclusion of Beijing High Court because I did not think "memory device" can be used to refer to "semiconductor memory device" for short.

Part Three

2. Software-related subject matters

(1) Corresponding provisions, regulations and guideline stipulations

Article 2(2): “Invention” means any new technical solution relating to a product, a process or improvement thereof.

Article 25: For any of the following, no patent right shall be granted:

(2) Rules and methods for mental activities;

Guidelines: If all the contents of a claim include not only rules and methods for mental activities but also technical features, for example, the contents defining the above mentioned devices for computer games include rules for games and technical features as well, then the claim as a whole is not rules and methods for mental activities, and shall not be excluded from patentability.

Part Three

2. Software-related subject matters

(2) Debating issues

- a. Technical solution: Solving technical problem;
Adopting technical means;
Achieving technical effects.
- b. Means plus function;
- c. sufficient embodiments;
- d. Support of claims by description.

Part Three

2. Software-related subject matters

(3) Example and Solution

Negative example: A computer game method, its solution is to combine question-and-answer type and grown-up type game together into one computer game method through computer executing the well-known programs for processing control over question-and-answer type game. This method makes game roles and environment change correspondingly in the question-and-answer process by means of question-and-answer and games role status change. The aim of said solution is to combine characteristics of two types of games based on human will, and thus does not constitute a technical problem.

Part Three

2. Software-related subject matters

(3) Example and Solution

Solution: Focusing on technical solution

- a. Technical problem: not subjective feeling of the user, but objective improvement on prior games
- b. Technical means: data transmission, internal performance, game process controlling, internal resource management etc.
- c. Technical effect: efficiency increasing, speed improvement, cost decreasing, management concentration, performance integration, data management convenience, etc.

Part Three

3. Sufficient disclosure

(1) Corresponding provisions, regulations and guideline stipulations

Article 26(3): The description shall set forth the invention or utility model in a manner sufficiently clear and complete so as to enable a person skilled in the relevant field of technology to carry it out; where necessary, drawings are required. The abstract shall state briefly the main technical points of the invention or utility model.

Guidelines: Clarity (subject is clear and expression is precise)

Completeness (including all indispensable technical contents)

Enablement (carry out technical solution, solve technical problem, and achieve technical effects)

Part Three

3. Sufficient disclosure

(2) Debating issues:

- a. The description sets forth a concrete technical solution but without **experimental evidence**, while the solution can only be established upon confirmation by experimental result. For example, in general, the invention of a new use for a known compound requires experimental evidence in the description to validate the new use and effects thereof; otherwise, the requirement of enablement cannot be met.

- a. Non-obviousness vs. common knowledge

Part Three

3. Sufficient disclosure

(3) Example and solution

ZL '200, claiming US priority, a US company, “A Compound X”

The 1st OA: The present invention relates to compound X. The technical problem to be solved by the invention is to provide a compound X, and the compound not only can **treat a disease W**, but also can **reduce the inhibitory activity of an enzyme Y** of the compound X so as to **improve the effect of similar compound X1** in prior art.

The Examiner thinks the description did not sufficiently provide qualitative or quantitative data of experimental tests to convince a person skilled in the art that the use or effect of the present invention can be achieved by the invention, and the inhibitory activity of enzyme Y of the compound X can be reduced by the invention.

Part Three

3. Sufficient disclosure

(3) Example and solution

We filed two references. One is a paper co-written by first inventor of the invention. Another is also a paper, and one of the authors is from a very famous pharmaceutical company. By submitting the two references, we want to persuade the Examiner to believe that the structure of the present compound is similar to that disclosed in the two papers and prior art, except a small part. The compounds disclosed in the two papers are proved to own good disease-treatment effect, so a skilled in the art can know that the the invention similarly has the same or similar disease-treatment effect. By this way, we solved the problem of “sufficient disclosure” .

As to the inhibitory activity reduction, we stated they are issues relating to non-obviousness and we provided experimental tests as reference to show the non-obviousness of the invention.

Part Three

3. Sufficient disclosure

(3) Example and solution

Result: Finally by interviewing with the Examiner, SIPO accepted our opinions and granted the application a patent right.

Note: Any experimental tests relating to the technical problem and technical effect should be provided and contained in the original disclosure of the invention. In practice, experimental tests relating to the technical effect will definitely not be accepted. However, experimental data relating to non-obviousness might be considered as reference by the Examiner, provided that the experimental data can be got by implementation of the invention.

Current circumstance: Chinese Patent Examination Guidelines permit patent applicants to file additional data after filing their patent applications, and SIPO is studying the implementing rules.

Part Four

1

Chinese patent prosecution is undergoing changes influenced by worldwide patent development

Outside changes

2

Unified standard in examination will be next key point

Internal changes

3

Courts' attitudes will greatly affect the patent examination procedure

Judicial influence

4

New technology (mobile internet) will definitely change ordinary points to technical solution.

Technology affect

Part Four

Questions and Answers