

U.S. IMPLICATIONS OF CHINESE PATENT LAW OF 2009

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The third amendment of the Chinese Patent Law by the Chinese National Peoples' Congress became effective as of October 1, 2009 ("the 2009 Amendment"). Currently, the State Council is drafting the Implementation Regulations of the Patent Law, the State Intellectual Property Office (SIPO) is drafting the Patent Examination Guidelines, and the Supreme Court is drafting the judicial interpretation. The 2009 Amendment should be of great interest to potential applicants because it will affect the overall strategy of patent protection in China. Several areas of the changes are highlighted below to illustrate some the potential implications of the 2009 Amendment.

Absolute novelty is the new standard for novelty (Articles 22, 23), adding the condition that if the invention has been made public in any way worldwide, it will not be novel in China. When an identical application is filed prior to the filing date of the invention of interest, the applicant of the conflicting application may include the current applicant as well as other applicants. Therefore, the new absolute novelty standard represents a higher standard than before, and U.S. applicants may not rely on the one-year grace period under 35 USC §102(b) if they also want to enter into China.

A request for security examination (Article 20) is required at the SIPO before filing in a country other than China for an invention that is made in China. Previously, such application had to be filed in China first, but the 2009 Amendment offers the option to file first anywhere in the world. However, applicants of inventions made in China must give enough time, at least three months, for SIPO to make a decision whether the invention may be related to state interests; otherwise, the corresponding Chinese application will not be granted. For those applicants who may not have the extra time, they should file in China first.

Inventions depending on genetic resources are regulated in two ways under the 2009 Amendment. First, the acquisition or use of the genetic resources must not violate any relevant laws of the state or administrative regulations (Article 5, paragraph 2). Second, the direct and original sources of the genetic resources must be indicated in the application (Article 26, paragraph 5); if not, the applicant must give reasons for failure to indicate sources. Although this is the first time that genetic resources are subject matter under Chinese Patent Law, China has been a contracting party since 1995 to the Budapest Treaty regarding the deposition of microorganisms. With regard to the legality of the genetic resources, applicants should be keenly aware that China currently bans reproductive human cloning but allows therapeutic cloning and stem cell research.

Parallel identical applications based on invention applications and utility model applications are now specifically addressed in the 2009 Amendment (Article 9, paragraph 1). Previously, identical inventions based on both an invention application and a utility model application, might be filed separately, as long as one of them would be abandoned. The new law requires that the invention application and the utility model application must be filed on the same day, with reciprocating cross-references; and one of the applications must still be abandoned when both are granted.

The uniqueness of the utility model application is that it can be granted quickly, although the duration of protection is 10 years from filing. U.S. applicants are generally not familiar with utility model application because there is no such counterpart in the U.S. Potentially, for some invention, it is advisable to use the utility model application to quickly gain protection for a product, and then use the invention application to protect additional aspects of

the same invention. Under the new law, the applicant is required to file both invention and utility model applications on the same day.