









Contents

EXECUTI	VE SUMMARY	4
4 845	THOROLOGY	•
1. ME	THODOLOGY	8
1.1 Acr	onyms and Abbreviations	8
1.2 Ove	rview	8
1.3 Met	chodology of the Study	9
1.3.1	EU Research	
2. AN	ALYSIS ON THE PATENT INVALIDATION SYSTEM	11
2.1 Ove	erview of the China Patent Invalidation System	11
2.1.1	Establishment of the Patent Invalidation System	
2.1.2	Official Authority	12
2.1.3	Patent Invalidation Procedure	13
2.2 Pate	ent Invalidation Proceeding	
2.2.1	Eligible Parties	17
2.2.2	Grounds for Patent Invalidation	18
2.2.3	Timing to Request for Patent Invalidation	
2.2.4	Documentation	
2.2.5	Evidence	
2.2.6	Targeted Patents	
2.2.7	Manner of Amendment	
2.2.8	Formality Examination	
2.2.9	Substantive Examination	
2.2.10	Oral Hearing	
2.2.11	Duration	
2.2.12	Outcome and Remedy	
2.2.13	Fees	31
	ization of Patent Invalidation System	
_	Number of Patent Invalidation Cases	
2.3.2	Results of Patent Invalidation Cases	
2.3.3	Administrative Litigations Examining Decisions for Patent Invalidation	
2.3.4	Timeline of Examination of Patent Invalidation	
2.3.5 2.3.6	Technical Distribution of Patent Invalidation CasesComparison with European Patent Opposition	
2.4 Ca	amonts on the Datout Invelidation System	40
2.4 Con 2.4.1	nments on the Patent Invalidation System Questionnaire and Survey Result	
2.4.1	Motivation to Request for Patent Invalidation	
2.4.2	Motivation to Request for Patent Invalidation	43
3. IMF	PORTANT CHANGES AND RECOMMENDATIONS	45
4. COI	NCLUSIONS	51
5 ANI	NEXES	55



5.1 List	of Survey Respondents and Interviewees	55
5.1.1	List of Survey Respondents	
5.1.2	List of Interviewees	
5.2 List	of Survey Results	55
5.2.1	Survey Respondents Introductory	
5.2.2	Questionnaire Results	
5.3 Inte	rview Transcripts (Machine Translation)	65
5.3.1	Interview with Head of Patent from a Chinese High-tech Company in AI Industry	65
5.3.2 Europe	Interview with Legal Counsel from a MNC consumer goods company with business in China and e 67	
5.3.3	Interview with Patent Counsel from a Chinese Tier 1 company in packaging industry	68
5.3.4	Interview with Head of IP from a Sweden based MNC with business in China	69
5.3.5	Interview with IP Counsel from a Sweden based MNC with business in China	70
5.3.6	Interview with Stakeholder from an EU based MNC with business in China	
5.3.7	Interview with Sweden Practitioner	
5.3.8	Interview with Anonymous France IP Advisor	72
5.3.9	Interview with Italian Legal Counsel	73
5.3.10	Interview with Italian Practitioner	
5.3.11	Interview with Italian Practitioner	
5.3.12	Interview with Italian Practitioner	77
5.4 Ret	rial case of PRB vs Rugao City AiJiKe Texile Mechaninery Limited Company	78
5.5 (Ext	traction) Supreme People's Court of China Civil Verdict, (2019), ZuiGaoFaZhiMinZhong No. 36	59.79
5.6 Allo	wed amendments to claims in Invalidation Decision No. 41362 (2019)	81
5.7 Disa	allowed Amendments to Claims in Invalidation Decision No. 46741 (2020)	82

EXECUTIVE SUMMARY

This Study is a part of the IP Key China 2021 project and focuses on an overview of the current patent invalidation system in China. To present a comprehensive picture of the historical development, administrative and judicial procedures, current practice, and future trend of the invalidation system in China, this Study includes a detailed analysis of the current laws and regulations that verify patent rights in the China legal system and their practical application by the country's authorities.

The number of patent invalidation cases in China has grown over the last 10 years as compared with the stable situation in Europe. In the one year of 2019, total 6,015 requests for patent invalidation were filed, growing by 15% as compared to the previous year. When faced with the challenge and pressure of a huge number of invalidation requests, the China National Intellectual Property Administration (CNIPA) has taken some measures including hiring more examiners to improve examination quality and shorten the case pendency time. It is essential to analyze the institutional structure and ideas of reform behind the patent invalidation system in China, for the purposes of assessing the operational effectiveness of the patent invalidation system in China and improving the quality of patents to protect innovation.

We summarize our findings as follows:

Patent Invalidation System Setup in China

Patent invalidation is the sole patent right verification mechanism in China. Anyone can request for invalidation to attack the validity of a patent after it's granted. The patent invalidation in China is an administrative procedure, and a request for patent invalidation / opposition is to be filed with the Patent Office, similar to the EPO opposition and oppositions in some EU countries such as Germany, France and Italy. However, initiating a patent nullity procedure to attack the validity of a granted patent before courts is available in those EU countries, and courts in China cannot directly examine and rule on the validity of a granted patent during judicial proceedings.

The China Patent Office was established in 1980 and incorporated to be a subordinate of the CNIPA in 2019, together with the incorporation of the China Trade Mark Office at the same time. The series of changes in the institutional reform indicate China's intension of an overall management over various types of intellectual property rights by one centralized authority. This institutional reform is likely to be consistent with the international practice, such as in Germany.

Review on Patent Invalidation System - from regulatory perspective

Survey results shows that both practitioner respondents and corporate respondents from China and EU agree that patent invalidation is a useful legal tool in response to patent infringement claims. We have observed and identified the following important changes in the patent invalidation system and proposed our recommendations for the future thereof.

Legal grounds for patent invalidation

In the Fourth Amendment to the Chinese Patent Law (2020), "good faith principle" was introduced in line with the China Civil Code, which requires patentees / applicants to abide the good faith principle if they are to file patent applications or exercise patent rights. There is a trend of adding "non-compliance with good faith principle" as a ground for patent invalidation to solve the serious issue in China with a large amount of patent applications filed with the purpose away from innovation protection. The public is still a bit concerned about a clear line to differentiate and determine between "good faith" and "bad faith". A clear definition of "bad faith" shall be essential for people to anticipate the legal outcome of their behaviour in the patent industry.

Flexibility in amending claims

Claims can be amended during the patent invalidation procedure. Besides this similarity, China adopts stricter manners of amendment as compared with the EPO opposition. It is still not allowed to add one or more features from the specification into the claims in the China patent invalidation proceedings.

The manner of amendment "amending a claim by adding one or more technical features from other claim(s)" was introduced with the Amendment to the Guidelines for Patent Examination in 2017. It was a significant change to the patent invalidation system. Prior to the 2017 Amendment to Guidelines for Patent Examination, a patentee had much less flexibility to amend claims in a patent invalidation proceeding, when a claim could be either deleted entirely or incorporated with the entire solution of another claim. Deletion of partial features of a claim or addition of partial features of another claim was not allowed.

Currently amending claims in a patent invalidation procedure is still stricter than the requirement in the EPO opposition procedure. It's advisable to offer more flexibility to Chinese patentees to amend claims during the patent invalidation proceeding such as adding features, as long as they are disclosed in the patent specification, which is allowed in certain EU countries such as Germany and France, and also consistent with the practicable manners of amendment during patent prosecution.

Consistency in evidentiary burden

The Guidelines for Patent Examination amended in 2019 requires the CNIPA examiners to provide evidence and/or reasoning if they rely on conventional technical means to reject a patent application, which shall also apply to their examination on a patent invalidation case. This change is in line with the evidentiary burden on CNIPA examiners and the parties involved in the patent invalidation proceeding when arguing a feature or a solution that is conventional technical means or common knowledge in the art.

Before the 2019 Amendment to the Guidelines, CNIPA examiners usually did not need to provide any evidence to support their opinion that a technical feature is the conventional technical means during patent prosecution, while the parties involved in a patent invalidation are required to prove it by providing a textbook, dictionary or else. The current Guidelines reduces the inconsistency in evidentiary burden to the CNIPA and the public at this point.

Long pendency of invalidation decision

It is possible for a decision on patent invalidation to be pending for a long time under the current legal framework, which is named "patent circular trial" in practice. It refers to the situation where the CNIPA's subsequent decision for invalidation on the same patent can be appealed again before courts when the previous decision for invalidation is turned over by courts.

A major reason of patent circular trial's formation in China is that courts can examine, support, or turn over patent invalidation decisions made by the patent administrative authority, but cannot directly rule on the validity of a patent. It is advisable to consider a regulatory change to authorize the courts to examine and rule on the validity of a patent, if the patent is the subject matter of a patent infringement litigation, to solve this problem from the legal foundation. We have noted that China has made substantial changes from the administrative / judicial and practical perspectives. This issue can be touched and solved from the changes in the legal basis.

Review on Patent Invalidation System – from administrative / judicial perspective

In some European countries, such as Italy, the determination of patent validity can be solved in a corresponding patent infringement procedure. In view of the principle of separation of administrative and

judicial authorities, it's unlikely for China to adopt a similar mechanism now to combine the examination of patent validity and patent infringement into one legal proceeding.

We have observed the following substantive changes have taken place to solve practical issues in the China patent invalidation system:

Joint hearing on administrative cases

A joint hearing makes it possible for the CNIPA to examine a patent invalidation case and for the local IP offices to examine a patent infringement administrative dispute together.

The Beijing IP Office and the CNIPA first launched a joint oral hearing in 2019 to examine the validity of a patent via the patent invalidation proceeding and the patent infringement dispute raised with the Beijing IP office via administrative procedure. It is believed that the joint hearing at the same place simultaneously makes it possible for the two official authorities to examine related administrative patent cases from different perspectives in an efficient way to solve parallel procedural issues.

Joint examination on administrative litigation and patent infringement litigation cases

A joint examination by courts makes it possible to rule one administrative litigation against CNIPA's decision for patent invalidation and patent infringement litigation in an efficient way.

The SPC co-examined in 2019 a patent infringement litigation and an administrative litigation against CNIPA's invalidation decision on the validity of a patent which was the legal basis for the patent infringement claim, thereby a unified construction of claims on the patent was made possible. The rulings were issued separately by the SPC IP and civil tribunals respectively.

Local IP courts and the IP tribunals of the SPC

Until now, four IP courts have been set up in the cities of Beijing, Shanghai, Guangzhou, and in the free trade port of Hainan province. It is expected that the quality and efficiency of examining of the CNIPA's invalidation decisions in appeal proceedings can be improved with the introduction of these IP courts and IP tribunals of SPC, just as those IP courts and specialized IP court/tribunal in EU countries such as German and Italy.

Technical investigation officer in patent litigations

"Technical Investigation Officer" mechanism has been set up and fully implemented since May 2019 in IP case trials to solve complex technical issues for patent invalidation in the administrative litigation proceeding. Unlike the technical judges in Germany courts, the technical investigation officers are not judges (judicial officers) but are auxiliaries to provide technical support for judges' reference. With the introduction of Technical Investigation Officer, it's expected that the administrative litigation proceeding to appeal against the CNIPA's invalidation decisions will be faster with quality decisions made.

Utilization of Patent Invalidation System

The number of requests for patent invalidations in China has maintained a steady growth trend, with an average annual growth of 12.7% from 2015 to 2019. In the year of 2019, total 6,015 requests for patent invalidation were filed, growing by 15% as compared to the previous year, and 5,327 invalidation cases were concluded in the same year, and in 2020, total 6,178 requests for patent invalidation were filed and 7,144 invalidation cases were concluded in the same year.

The rate of requests for patent invalidation (i.e., ratio of the number of the requests for invalidation to the number of valid patents of the same year) is still very low, \sim 0.06% in 2019, and the EPO opposition rate (proportion of patents which are opposed amongst those for which nine months delay expired during the reported period) was 2.7% in 2019. It could be an indicator showing that the patent invalidation system has

not yet been well utilised in China to attack concerning patents as compared to the enthusiasm with which patents are filed.

54% of the patents involved in patent invalidations in the last 10 years from 2011 to 2020 were upheld as valid or partial valid. This percentage is lower than the 71.4% of patents upheld to be valid in the EPO oppositions in 2019.

"Performing operation, transporting" and "human necessities" are the two technical areas having the most patent right disputes for both invention and utility model patents, and "electricity" is the area with intensive patent right disputes for invention patents. This seems to be consistent with the quick development in the electronic industry today.

1. METHODOLOGY

1.1 Acronyms and Abbreviations

Acronym	Name
CNIPA	China National Intellectual Property Administration
EUIPO	European Intellectual Property Office
EU	European Union
EPO	European Patent Office
SIPO	State Intellectual Property Office
PRB	Patent Re-examination Board
SPC	Supreme People's Court
BPatG	Bundespatentgericht (Federal Patent Court)
BGH	Bundesgerichtshof (Federal Court of Justice)
DPMA	Das Deutsche Patent- und Markenamt (German Patent and Trade Mark Office)
INPI	L'Institut national de la propriété industrielle (National Institute of Industrial Property)
IP	Intellectual Property
MNC	Multi-national Corporation
Al	Artificial Intelligence

1.2 Overview

This Study provides an overall introduction to the China patent invalidation system, including its historical evolution, current status, and future trends. This would help provide a comprehensive assessment of China's current legislation on the invalidation of invention and utility models patents to assess the impact of the current rules and procedures to domestic and international stakeholders.

The study will evaluate the factors, both legal and non-legal, influencing the outcomes of invalidation procedures in China, and compare the outcomes of China and EU approaches to invalidation procedures. The Study will be a valuable source for policy makers and stakeholders in China in understanding and evaluating the current situation and potential challenges surrounding the patent and utility model system and practices in China. On the basis of this analysis, this study will also provide policy considerations and recommendation.

1.3 Methodology of the Study

1.3.1 China Research

As the restructuring of CNIPA has not affected the process and procedure of patent invalidation (in addition to the introduction of an institutional structure), this Study focuses on the operational effect and latest developments of the patent invalidation system.

The Study is to clarify the current CNIPA institutional structure and operational effects in China and includes:

- (1) An overview of the process of patent invalidation procedures in China.
- (2) Illustration of the institutional structure of the China Patent Office of the CNIPA and the Reexamination and Invalidation Department responsible for examining patent invalidations (hereafter "CNIPA").
- (3) Operational effects of patent invalidation system, such as the number of invalidation cases accepted and concluded, and patent administrative litigation cases received.

Section covers 4 areas to understand the latest developments of patent invalidations in China:

- (1) Regulatory Review: This includes laws, regulations, and judicial interpretations relevant to patent invalidations in China and to get an overview of the patent invalidation procedure, including any significant changes related to the patent invalidation system, and the manner of amendments of patents, examination authorities, and procedures.
- (2) Practice Study: This includes, analysis of invalidation decisions issued by CNIPA and judicial cases on invention and utility model patents; evidentiary burden of proof on patent rights holders, average case duration, remedy procedures, impact on interested third parties during the procedure, potential impact on the quality of patents, impact, and connection with associated patent litigation.
- (3) Case Study: This includes review of cases to understand the impact of the adjustments to the Guidelines for Patent Examination. We have provided the trends developing for patent invalidations and the quality of patents through the new measures taken by CNIPA and the local administrative authorities.
- (4) Statistical Study: This includes review on statistical data obtained from official government websites and Rouse's proprietary Chinese IP dispute analysis platform www.CIELA.cn which includes over 48,000 invalidation and re-examination decisions available for analysis. The data includes average duration for examination, number of cases received and concluded, outcome and invalidation rate of patent invalidations, and number of administrative litigations filed to appeal against CNIPA's invalidation decisions.

Based on the analysis on the above area, we have provided an overview of the trends developing in China for patent invalidation in recent years.

1.3.2 EU Research

European Union (EU) research covers a review on European patent right verification mechanisms including opposition and invalidation procedures before the European Patent Office ("EPO") and in some European countries upon the access of relevant data.

This Study does not analyse EU national procedures but provides a comparative analysis between China and the EU on the topics below:

- (1) Parties qualified to request for patent invalidation / opposition.
- (2) Grounds for requesting patent invalidation / opposition.
- (3) Average duration for patent invalidation / opposition.
- (4) Outcome and invalidation rate of patent invalidation / opposition.
- (5) Remedy procedures for appealing against unfavourable decisions of patent invalidation / opposition. concerned official authorities and appeal deadlines.
- (6) Patent intensive area involving invalidation.

2. Analysis on the Patent Invalidation System

2.1 Overview of the China Patent Invalidation System

Patents give patent holders a legal monopoly right preventing others from using the same or similar patented technologies. However, it is less practical or possible for patent examiners to retrieve and review all the prior art worldwide and then grant a patent for invention that has absolute novelty and non-obviousness over them, especially for utility model and design patents which are granted directly without prior art search. The patent invalidation system, as a post-grant opposition system, was thus introduced in the China patent system, which is a type of patent right verification mechanism employed in many major countries to revoke unqualified patents. The mechanism allows the public to challenge and attack patentability of a granted patent and is aimed for settlement of a patent right in dispute between parties concerned, in order to enable the patent system to protect genuine inventions.

2.1.1 Establishment of the Patent Invalidation System

China has experienced a series of changes for patent right verification mechanisms, including cancellation, opposition, and invalidation¹.

The "Rules on Protection of Invention rights and Patent Rights" was an early form of the China Patent Law and played its role during the period from the year of 1950 to 1963. The patent opposition at the pre-grant stage and the patent cancellation at the post-grant stage co-existed.

Later on, the first China Patent Law was formulated in 1984 and the China Patent Office was officially established in 1980 to deal with patent administrative matters including patent invalidation. The Patent Law (1984) remained the pre-grant patent opposition and re-named the post grant patent cancellation to be "patent invalidation". This is also the time that the patent invalidation was officially set up in the China patent system.

The First Amendments were made to the China Patent Law in 1992, removing the pre-grant patent opposition procedure, and adding a post-grant patent cancellation, which co-existed with patent invalidation at the post-grant procedure. Ever since then, no procedure has been available to challenge patentability of a patent application before it is granted. The differences between patent cancellation and patent invalidation lied in i) the timing for request, within or after six months from the date when a patent was granted, and ii) the examination authority, the Patent Office or the Patent Re-Examination Board (PRB). The PRB could examine the patent cancellation decisions made by the Patent Office.

The China Patent Law was amended in 2000, 2008 and 2020 respectively, whereby patent cancellation was abolished, and patent invalidation became the only patent right verification mechanism since 2000.

The patent invalidation system is the only one patent right verification mechanism in China at post-grant procedure. A third-party observation procedure, also named as "public opinion" procedure, is available for the public to challenge the patentability of a pending invention application before it is granted, where a third party can submit argument with evidence to prove that the pending application is not in confirmation with the

¹ "Research on Patent Right Verification System", doctoral thesis of Hu Wang, Southwest University of Political Science and Law, 2012

requirement of being granted an invention patent right. However, the procedure is not dealt with in a transparent way as the CNIPA will neither notify the patent applicant of the submission by a third party nor respond to the third party on the same. The third-party observation procedure cannot be considered as a part of patent invalidation due to the uncertainty of being granted a patent right and thus will not be discussed this procedure in this report.

The patent invalidation system in China is similar to the opposition procedure before the EPO and the opposition procedures in EU countries before their Patent Offices. The administrative procedure is not available within the Patent office in Italy and any request for invalidation against a granted patent shall be filed before courts specialized in intellectual property and the judicial procedure is called patent nullity. Patent nullity is also available in Germany and France, and it is a judicial procedure parallel to the administrative procedure for patent opposition.

2.1.2 Official Authority

The "China National Intellectual Property Administration" (CNIPA) was officially set up under the State Council in 2018, comprising both the Patent Office and the Trade Mark Office as its subordinates. The CNIPA is the official authority in charge of patent invalidations. The PRB was renamed to be "Patent Re-examination and Invalidation Department" of the Patent Office. The Patent Office including its subordinate of the "Patent Re-examination and Invalidation Department", is authorized by the CNIPA to accept, examine, and make decisions on patent invalidations in the name of CNIPA.

Figure 1 below summarizes the institutional structure of the CNIPA.

Institutional Structure of the CNIPA

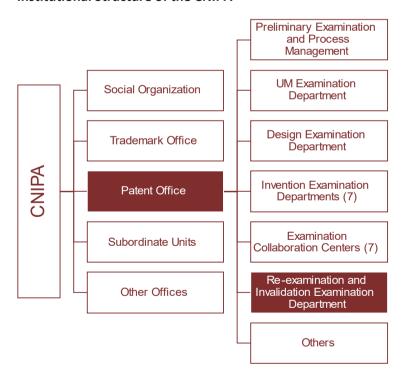


Figure 1

This institutional reform is consistent with international practice such as in Germany, combining the authority of dealing with patent and trademark administrative affairs under one administrative organization. The

institutional restructure also makes it clear to the public that the CNIPA is the official authority to examine and decide patent invalidations, similar to other decisions such as granting a patent right made by the authority.

The Patent Re-examination Board (PRB), as a subordinate of the China Patent Office, was the administrative authority in charge of the examination of patent invalidation since its establishment in 1985 and was renamed to be the "Patent Re-examination and Invalidation Department" in 2019 when the Patent Office was incorporate to the CNIPA.

2.1.3 Patent Invalidation Procedure

The CNIPA cannot initiate the patent invalidation proceeding at its discretion and the procedure can only be kicked off upon a request for invalidation from the public including the patentee. The petitioner may supplement grounds for invalidation, new evidence and new argument supporting the newly added grounds and evidence within one month upon the date of filing the request. The patentee will be forwarded all the documents submitted from the petitioner and notified to participate in the procedure. They can submit written opinions in response to the petition for invalidation, submit evidence to support their argument and appear at the hearing to attend the cross examination. However, the patentee's involvement is not a must for the patent invalidation to proceed further and they can choose not to respond or even not appear at the hearing.

The CNIPA declared in its promotion brochure 2021 that the average duration of patent invalidation cases in 2020 was 5.9 months². The decision can be appealed before courts in the administrative litigation proceeding. The litigation proceeding can be initiated by either party who is not satisfied with the decision for invalidation made by the CNIPA.

The following Figure 2 illustrated the main procedural steps of the patent invalidation in China.

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² CNIPA, 2021, Brochure for the Patent Re-examination and Invalidation Department of the Patent office, http://reexam.cnipa.gov.cn/fsgk/fswxzpx/xzc/22534.htm

China patent invalidation procedure

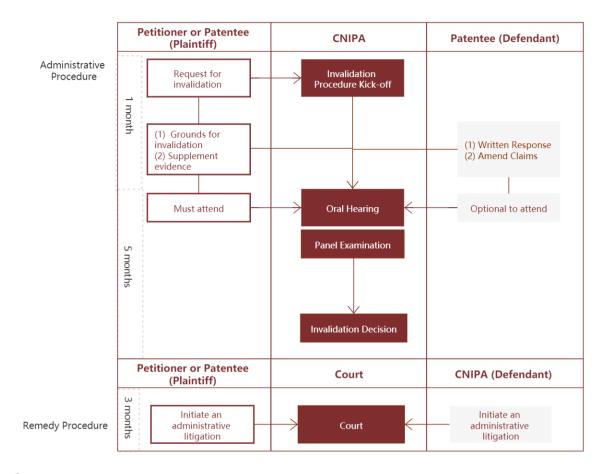


Figure 2

Both the patent invalidation system in China and the opposition system before EPO are an administrative procedure and main steps of the two systems are substantially similar. Decisions made in the China patent invalidation or in the EPO opposition proceedings are not final, either of which can be appealed. The China patent invalidation system and the European Patent opposition are fundamentally different in the following aspect:

A request for invalidation against a Chinese patent can be filed at any time with the CNIPA once a
patent is granted, while the opposition must be filed with the EPO within 9 months after the grant of
a European patent.

China patent invalidation system is also different from the patent invalidation system in certain EU countries.

CNIPA is the only official authority in China to examine and decide the validity of a granted patent in the patent invalidation system. Courts can examine, turn over or support the CNIPA's decision in the litigation procedure, but courts cannot directly rule on the validity of a patent in any situations. This is different from the regulations and practice in certain EU countries. The European patent, when it has been granted by the EPO, may after validation become a patent in the 27 Member States of the EU, and the other 11 countries which are not members of the EU, with the same effect as a national patent granted for these countries. A new Unitary Patent system is expected to be initiated in the second half of 2022. Under the new system, the patent

proprietor, when a European patent has been granted, will be able to request unitary effect, thereby getting a Unitary Patent which provides uniform patent protection in all the EU Member States that at the time are contracting states to the Unified Patent Court (UPC). In addition, the European patent can be revoked in court in these countries. As soon as the UPC agreement enters into force, it will be possible to revoke a European patent in all the expected Member States that participate in the new court system.

This report is focussed on the comparison of China patent invalidation over EPO oppositions, but to provide a more complete understanding, we have also summarised the below comparison over oppositions and invalidations (i.e., nullity actions) in the three EU countries Germany, France and Italy. As previously mentioned, Germany and France have a parallel system in administrative and judicial procedures to determine the validity of a patent. The patent opposition procedure is to be initiated before the Patent Offices, i.e., German Patent and Trademark Office (DPMA) or the French Patent Office (INPI), which is similar to the patent invalidation system in China. The patent nullity procedure is a judicial procedure initiated before courts in the two countries and courts will determine and rule on the validity of a patent in the nullity procedure. In Italy, the patent invalidation procedure can be only initiated before courts, and it's called a patent nullity procedure. Only a nullity procedure before courts is available in Italy against a granted Italian patent, and there is no administrative procedure available to challenge the validity of a granted patent.

Similar to the opposition procedure before the EPO, the opposition procedure before the Patent Offices in Germany and France should be initiated within a specified timeline, i.e., within 9 months upon grant of a patent right.

We have summarized the key differences between the China invalidation system and the opposition system before the EPO and the differences between the China invalidation system and the patent invalidation / opposition systems in three EU countries of France (FR), Germany (DE) and Italy (IT) respectively in Table 1 below.

Comparison between the patent verification system(s) between China and EU (EPO) and three EU countries

	Administrative Verification					Judicial Verification						
	Mechanism	Authority	Petitioner	Time- line	Remedy Authority	Appeal Deadline	Mechanism	Institution in Charge	Petitioner	Time- line	Remedy Authority	Appeal Deadline
China	Invalidation	CNIPA	Anyone	6-8 months	Beijing IP Court	3 months	NA	NA	NA	NA	NA	NA
ЕРО	Opposition	EPO	Third party	15-18 months	EPO	2 months	NA	NA	NA	NA	NA	NA
France	Opposition	INPI	Third party	At least 16 months	Paris Court of Appeal	1 month	Nullity	Paris Judicial Court	Petitioner should have a direct and personal interest	NA	Paris Court of Appeal	1 month
Germany	Opposition	DPMA	Third party	Longer than 18 Months	DPMA	1 month	Nullity	BPatG	Anyone of interest	27~28 months	BGH	1 month
Italy	NA	NA	NA	NA	NA	NA	Nullity	First instance civil courts with a specialization in IP	Anyone of interest	1~3 years (for first instance)	Appeal courts specialized in IP	30 days

Table 1

2.2 **Patent Invalidation Proceeding**

We have summarized the major steps of the patent invalidation procedure in China in Figure 2. We'll further review and analyse the regulations and practice of the patent invalidation proceeding in detail in this section, covering the following points:

2.2.1 Eligible Parties

Parties Participating a Patent Invalidation Procedure

Patent invalidation procedure is a patent right verification procedure between parties concerned and it usually involves three parties in most situations:

- (1) petitioner for patent invalidation,
- (2) patentee (also referred to as patent owner, or patent holder), and
- (3) panel formed by CNIPA examiners (Patent Re-Examination and Invalidation Department).

The CNIPA acts as a neutral party to review opinions and evidence presented by both the petitioner and patentee and to evaluate and determine the validity of the patent in question. The petitioner can withdraw the request at any time during the proceeding, but the Panel can, in rare situations, decide at its discretion whether to proceed further or not.

Petitioner

There are compulsory requirements on qualification of a petitioner for patent invalidation. Specifically, the Guidelines for Patent Examination (2020) stipulate eligibility of a petitioner for patent invalidation as follows³:

- (1) Any person / entity eligible to institute a civil action can be a petitioner for patent invalidation.
- (2) Patentee who requests for invalidation against their own patent, provided that:
 - a. request for partial invalidation against their own patent,
 - b. only publication / public literatures are used as evidence, and
 - c. all patentees agree and request for the partial invalidation if it's a co-owned patent.

The opposition procedure before EPO and in major EU countries is quite similar to the patent invalidation in China at this point, involving an opponent for opposition against a granted European patent and the patentee, and the examination of opposition will be conducted by the EPO. Further, a patentee cannot and need not oppose their own patents in the oppositions before EPO, considering that the patentee can request limitation of its granted European patent with the same freedom during examination and at any point in time after grant.

After all, it sounds to be a unique regulation in China allowing patentee to partially invalidate their own patents. Patent invalidation is the only and last opportunity for the patentee to amend their own patents after a patent is granted in China. Patentees can use the invalidation procedure to amend claims for the purpose of narrowing down the scope of protection and getting a stronger and stable patent. It's strictly restricted to the manners of amendment in the procedure and therefore, this approach is not commonly used in practice.

³ Guidelines for Patent Examination (2020), Section 3.2 of Chapter 3 of Part IV.



In some situations, a "straw person" is used in China by some companies to initiate the patent invalidation against a patent of concern without their exposure to the patent right holder, in order to avoid potential legal risks of being claimed of patent infringement or igniting a patent war. There are no compulsory regulations in place to prohibit from being used in China. It appears that the EPO, Germany, France or Italy are in a similar situation i.e., without regulations preventing them from using a "straw person" in patent oppositions or patent nullity actions.

Patentee

A patentee will be notified of the whole process of the patent invalidation proceeding, but the patentee is not forced to actively participate in the proceeding. The patentee is not required to respond to the request for invalidation or any official notifications and the patentee does not necessarily need to attend the oral hearing. Examination on the invalidation will proceed further in these situations. However, in contrast, if the petitioner does not appear at the hearing, the request for invalidation will be deemed to have been withdrawn.

The "patentee / patent holder" recited in the China Patent Law refers not only the patentee to whom a patent right was issued, but also the successors of the patentee (same as what stipulated in 35 USC § 100(d)). For any patent assignment or transfer, recordal of any change is required to be submitted with the CNIPA before it takes effect. Therefore, a patentee / patent holder is the one registered with CNIPA unless any proof is provided to support correction of the records with CNIPA.

There is no substantial difference between the eligibility of a patentee in the patent invalidation in China and in the opposition before EPO or in Germany, France, and Italy at this point.

2.2.2 Grounds for Patent Invalidation

We've grouped the legal grounds for patent invalidation into the following⁴:

- (1) Non-compliance with novelty or inventiveness requirement:
 - A patent for invention or utility model does not possess novelty, inventiveness, or practical applicability⁵.
- (2) Defects in the patent application:
 - A patent is not in conformity with the definition of the patent for invention or utility model⁶.
 - Patent specification does not fully disclose the invention or utility model⁷.
 - Claims are not supported by the patent specification⁸.
 - Amendments went beyond the scope of the original disclosure⁹.
 - Divisional application went beyond the scope of original disclosure of the initial application¹⁰.
 - Clarity requirement of the patent specification and claims not met¹¹.

 $^{^{\}rm 4}$ Rule 65 of the Implementing Regulations of the China Patent Law.

⁵ Article 22 of the China Patent Law.

⁶ Article 2 of the China Patent Law.

⁷ Article 26.3 of the China Patent Law.

⁸ Article 26.4 of the China Patent law.

⁹ Article 33 of the China Patent Law.

¹⁰ Rule 43.1 of the Implementing Regulations of the China Patent Law.

¹¹ Article 26.3 of the China Patent Law.

Independent claims lack essential technical features to solve its technical problems¹².

(3) Violation of the mandatory provisions:

- Violation of national laws, social morality, or obstruction of public interests¹³.
- Non-patentable subject matters as stipulated by the laws¹⁴.
- Not following confidentiality requirement prior to patent filing outside China¹⁵.

(4) Duplicate patent:

- Only one patent right will be issued to identical invention creations¹⁶.

It should be noted that the grounds for invalidating a patent are not exactly the same as those for rejecting a patent application in its prosecution. For example, a patent application may be rejected due to lack of unity, however, lack of unity is not a legal ground for invalidation against a granted patent.

Confidentiality examination was introduced as a legal ground for invalidation against a patent in 2010, which is consistent with the international practice in major EU countries. Prior to extending an invention or utility model patent / application outside of China, which has been finished in China, the applicant must obtain a foreign filing license, i.e., pass the confidentiality examination at first. Failure of obtaining such a license prior to the extension could be a legal ground to invalidate the corresponding Chinese patent after its grant. EU stakeholders with R&D functions in China should pay attention to this requirement if they prefer to first file patents in the country where their headquarters is located for innovations developed in China.

The grounds for opposition before the EPO are stipulated in Article 100 of EPC, including:

- a. non-patentable subject matters;
- b. lack of novelty, inventiveness, or industrial application;
- c. the disclosure in the specification is not sufficiently clear and complete;
- d. patent's subject matter goes beyond the scope of the initial European Patent application.

The grounds for opposition before the EPO are substantively similar to the patent opposition in France and Germany. These are commonly used grounds in the patent invalidation in China. China patent regulations stipulate more legal grounds for patent invalidation.

Besides the grounds listed above, in practice, the grounds to attack substantive defects of a patent, such as novelty and inventiveness issues, play a central role in both the patent invalidation procedure in China and the opposition procedure before EPO. Most of the patents are invalidated / revoked on grounds of the substantive defects.

"Usurpation" is a ground for patent opposition and patent nullity in Germany. Italy stipulates a similar "usurpation" as a ground for patent nullity that a patent can be nullified if the patentee did not have the right to obtain the patent and the person / entity who is entitled to obtain the patent did not make use of the right.

¹⁴ Article 25 of the China Patent Law.

¹² Rule 20.2 of the Implementing Regulations of the China Patent Law.

¹³ Article 5 of the China Patent Law.

¹⁵ Article 19 of the China Patent Law.

¹⁶ Article 9 of the China Patent Law.



China has been dealing with patent applications filed in "bad-faith", also referred to as "abnormal patent applications", which is different from the "usurpation" as defined in Germany. The bad faith patent application may have a broader coverage in China beyond the "usurpation" in Germany and Italy. China may refer to the experience and practice in EU countries to learn as how to deal with bad faith patent applications from both regulatory and judicial perspectives. To add "bad faith" as the ground for patent invalidation may be a practical action that China can implement.

2.2.3 Timing to Request for Patent Invalidation

A request for patent invalidation can be filed at any time once a patent right is issued, and even after the patent has expired¹⁷.

A request for patent invalidation cannot be filed against an invalidated patent, however, when the decision declaring a patent invalid made by the CNIPA is not final (e.g., when the decision has been appealed before the Beijing IP court or higher-level court) the request for invalidation of such patent will be accepted but the invalidation examination may be suspended until the courts make a final judgement to support or revoke the decision¹⁸.

The patent invalidation in China is quite different from the EPO's opposition procedure on this point. The European Patent Convention provides for a 9-month opposition period. That is, the opposition shall be initiated with the EPO within 9 months after publication of the grant of the European patent. France and Germany set up the same deadline of 9 months to file an opposition against a granted patent upon the publication of the grant. Certain European countries are mandating that national opposition/ invalidation procedures against European patents can only start once the opposition period before the EPO has lapsed.

The patent nullity in Italy does not require such a deadline, but the nullity in France and Germany should be filed after the 9-month opposition period to differentiate the patent opposition deadline before the Patent Offices.

2.2.4 Documentation

Documents to be submitted by petitioner

A petitioner for patent invalidation shall submit the following documents¹⁹:

- (1) request for patent invalidation;
- (2) grounds for patent invalidation;
- (3) evidence supporting the argument(s);
- (4) power of Attorney if entrusting a patent agency or a citizen as representative;
- (5) copy of qualification certificate of the petitioner, such as identification card or business license.

The petitioner shall list and specify legal grounds for invalidation with arguments and refer to all the evidence available.

¹⁷ Guidelines for Patent Examination (2020), Section 3.1 of Chapter 3 of Part IV.

¹⁸ Guidelines for Patent Examination (2020), Section 3.7.(03) of Chapter 3 of Part IV.

¹⁹ Instructions on Patent Invalidation Request, by CNIPA, issued in 2021(《专利权无效宣告办事指南》国家知识产权局 发布日期 2021).



Grounds for patent invalidation can be supplemented within one month from the date upon filing the request²⁰. Some specific provisions regarding the supplementation of grounds for patent invalidation²¹ read as follows:

- (1) It is allowed for the petitioner to supplement grounds for invalidation within one month from the date of request, however, the petitioner shall complete/finalise the request within the time limit legally specified.
- (2) It is usually not allowed for the petitioner to supplement grounds for invalidation after one month from the date of filing the request for invalidation. However, it may be acceptable in any of the following exceptional circumstances:

Exception 1, where:

- claims have been amended by the patentee by adding features,
- grounds for invalidation are supplemented for addressing the amended claims within the time limit specified by CNIPA, and
- supplementary grounds are specified concretely within the specified time limit.

Exception 2, where:

- change of grounds for invalidation, this is aiming to change the grounds which do not correspond to the evidence submitted.

• Documents to be submitted by the patentee

A patentee may choose to participate in the invalidation proceeding or attend the hearing. The patentee is authorized to present arguments or evidence to prove that their patent is qualified to fight against the arguments of the petitioner, though it is a post-grant procedure. The patentee can also amend the claims to overcome the defects as identified by the petitioner.

If the patentee participates in the invalidation proceeding and oral hearing, besides providing the arguments or evidence as mentioned above, they need to present the same documents as the petitioner, i.e., a copy of qualification certificate or a Power of Attorney if needed.

The documentation requirements for the petitioner and patentee are quite similar in the patent invalidation in China and the patent opposition before EPO.

2.2.5 Evidence

Evidence in any form accepted by a civil legal proceeding can be used in the patent invalidation including publications, samples, videos, manuals, oral disclosure, or common knowledge.

Evidence will be cross-examined by the parties concerned. Without cross-examination, no evidence will be taken as the basis for deciding the facts of the patent invalidation²².

²⁰ Rule 67 of the Implementation Regulations of the China Patent Law.

²¹ Guidelines for Patent Examination (2020), Section 4.2 of Chapter 3 of Part IV.

²² Guidelines for Patent Examination (2020), Section 4.1-4.3, in Chapter 8 of Part IV

The evidence requirement and evidentiary burden in the patent invalidation in China is guite similar to the opposition proceedings before the EPO²³ or the opposition in major EU countries. The evidence to attack a granted patent should be submitted by the petitioner / opponent and the burden of proof on public availability of prior art documents lies on the opponent / petitioner.

We've further commented below on the unique requirement of evidence to be submitted in patent invalidation proceedings in China.

Evidence formulated in Hong Kong SAR, Macao SAR, Taiwan or abroad

Evidence formulated outside China must be notarized by the local notary and verified by the Chinese Embassy in that country.

The evidence formulated in Hong Kong SAR, Macao SAR, or Taiwan will have to go through relevant verification formalities.

No notarization or verification formalities are needed for the following exceptions, where:

- (1) the evidence can be obtained via domestic public channels excluding Hong Kong SAR, Macao SAR, and Taiwan, e.g., foreign patent documents obtained from the Patent Office, or foreign literature obtained from a public library;
- (2) authenticity of the evidence can be sufficiently supported by other evidence; or
- (3) authenticity of the evidence is acknowledged by the opposite party.

Testimony of Witness

A witness shall state the specific facts that they have experienced in person. Inference, conjecture, or observations made by the witness based on his experience shall not be taken as the basis for deciding the facts of the case.

Witnesses shall appear and be inquired in the oral proceedings. Written testimony made by a witness not appearing in oral proceedings shall not be taken as the basis for deciding the case unless the witness does have difficulties in appearing at the oral proceedings.

As different from the practice in EU countries, witness or witness testimony has less impact on the examination of the patent invalidation and is not commonly used in China. Regarding the use of witness testimony in EPO opposition proceedings, if a witness is asked to offer testimony, the opposition division may decide to hear this person in order to verify the facts for which this witness has brought forward. The notice of opposition must make clear these facts, not to present facts in place of the opponent.

Evidence Written in Foreign Languages

Any evidence written in a foreign language without a Chinese translation will not be taken into account by the CNIPA in the patent invalidation proceeding. A Chinese translation in written form is a must for any evidence

²³ The means of evidence which is admissible in proceedings before the PEO are (non-exhaustively) in Article 117(1) EPC, production of documents, hearing the parties, hearing witnesses, sworn statements in writing, requests for information, opinions by experts, and inspection.

submitted in a foreign language. Similar timeline applies for the evidence and the Chinese translation submission.

If the opposite party objects to the content of the Chinese translation, the Chinese translation for the disputed parts should be submitted by the opposite party within a time limit specified by CNIPA. If both parties reach an agreement as to the translation, the agreed translation will be used. If both parties cannot reach an agreement as to the translation, CNIPA may entrust a translator or an agency to translate it into Chinese if necessary.

The opposition procedure before EPO has similar requirements. The official languages of the EPO are English, French, and German. Documents that are filed as evidence in EPO opposition proceedings may be filed in any language. However, the opposition division may require a translation of the document, or parts thereof, into one of the official languages of the EPO. This is a common requirement for patent opposition or patent nullity in EU countries.

Other Types of Evidence

<u>Common knowledge</u> in the art can be used as evidence to support arguments and any party alleging such a fact shall bear the burden of proof. A textbook, a technical dictionary, or a technical manual can be used to prove the claim that a technical means or feature is common knowledge in the industry.

<u>Publication on the Internet</u> can be used as evidence to challenge a patent in the patent invalidation. Usually, the issuance time of the information on the Internet is deemed to be the publication time of the information.

<u>Physical evidence</u> can be used as evidence. A notarized document should be submitted rather than given orally. Physical evidence itself is the physical evidence that has been sealed and notarized by the notary.

<u>Notarization</u> has a higher level of authenticity. The facts attested in a valid notarized document will be taken as the basis for deciding the facts of the case, unless there is counterevidence to overturn the attestation of the notarized document.

<u>Prior use and oral disclosure</u> are accepted as evidence. It is very difficult in practice to provide the authenticity or publication date of a prior use or oral disclosure evidence.

Timeline for Evidence Submission

For the petitioner, evidence should be submitted within one month upon the date of the invalidation request. For the patentee, evidence other than common knowledge should be submitted within the timeline specified by CNIPA in the notifications.

It is possible to submit evidence after the above deadline in the following situations, where:

- (1) Evidence is submitted by the petitioner within the timeline specified by CNIPA in response to the amended claims with features added by the patentee.
- (2) Common sense evidence such as technical dictionaries, technical manuals and textbooks can be submitted by either party before the end of debate in the oral hearing.
- (3) A notarized copy or original documents can be submitted by either party before the end of the debate in an oral hearing to meet the requirement of submission of the evidence according to the law.

Generally, evidence submitted beyond the time limit above will not be accepted and an extension of timeline for evidence submission is acceptable only in the following exceptional situations²⁴:

- (1) failure of submitting evidence within the specified time limit due to force majeure, and
- (2) a request for extension of timeline in written form filed within the specified timeline.

As a comparison, late-filed submissions at the EPO may not be completely disregarded. In deciding whether to admit late-filed submissions, their relevance to the decision, the state of the procedure, and the reasons for late submission are considered. If the late-filed submissions prima facie could be relevant, i.e., could change the envisaged decision, then they have to be considered, regardless of which stage the proceedings are at, or the reason for the late submission.

Consistency in evidentiary burden

In the past, CNIPA Examiners did not need to provide any evidence of conventional technical means when they refer to it to invalidate a patent. However, the petitioner and/or the patentee are required to provide a textbook, a dictionary, or anything in an acceptable form of evidence to prove that the technical means have been commonly known in the industry. It seems inconsistent to have such a burden for the parties but not for the CNIPA, even though they may pursue the same type of argument.

To solve this issue, the Guidelines for Patent Examination mandates the same requirement for CNIPA examiners in its amendments in 2019 that evidence should be provided by examiners if they rely on conventional technical means to reject a patent application in patent prosecution, which should also be applied to the invalidation of a patent in invalidation proceedings.

This amendment is believed to be able to limit the abuse of unsubstantiated common general knowledge or conventional technical means in the art as ground for patent invalidation.

The EPO also employs a similar evidentiary burden for parties to proceedings that rely on common general knowledge. In general, when considering the opposition procedure and the appeal procedure before the EPO, the opposition procedure is similar to the Chinese invalidation procedure. The opposition procedure, like the Chinese invalidation procedure is administrative in nature and the opposition division has more ex officio powers. However, the Boards of Appeal also have investigative ex officio powers, such as the lack of evidentiary burden upon the Board of Appeal when introducing common general knowledge, the appeal procedure is more like the old Chinese procedure²⁵.

2.2.6 Targeted Patents

²⁴ Guidelines for Patent Examination (2020), Section 4.3.3 of Chapter 3 of Part IV.

²⁵ In G10/91 the Enlarged Board of Appeal held that the opposition procedure is administrative in nature whereas the subsequent appeal procedure is considered to be a judicial procedure. Thus out of these two, the opposition procedure is more similar to the Chinese invalidation procedure. Due to the more judicial nature of the appeal procedure, Article 114(1) EPC and the ex officio powers therein were applied in a more restrictive manner (see G10/91). The opposition procedure, as an administrative one, had greater need for investigative ex officio powers, more like the role of the CNIPA in the invalidation procedure. It should also be noted that in appeal proceedings the Board of Appeal can introduce facts related to common general knowledge. The Boards decided in decision T1370/15 that in inter partes appeal proceedings, the Board is allowed to introduce new ex officio common general knowledge without evidence of such knowledge. This is allowed to the extent that the Board is knowledgeable in the respective technical field.



Any granted patent including an expired one can be a target of a request for invalidation but there are exceptional situations (as noted below) where a patent cannot be an object of request for patent invalidation²⁶:

- (1) a patent abandoned from the date of application cannot be an object of a request for invalidation;
- (2) a patent invalidated as a whole in a previous patent invalidation procedure cannot be the object for a later request for invalidation.

Patents will be deemed to have never existed from the beginning once it has been abandoned by patentee or been declared invalid in a patent invalidation proceeding²⁷. A partially invalidated patent can be an object of another request for patent invalidation.

A patent that is revoked or amended in opposition proceedings before the EPO, is deemed to be revoked, or limited to the amended form, from the time of grant. A patent being opposed before the EPO must be a granted patent, and the opposition should be filed within nine months upon the publication of the grant. European patents if upheld or upheld in an amended form, can still be subject to national revocation procedures before the contracting states. Some states, for example Germany, also mandate that national revocation procedures can only be filed after the 9 months opposition period before the EPO, has lapsed. A patent being attacked for nullity in Germany, France and Italy can be a valid, lapsed or expired patent, same as the patent invalidation in China.

2.2.7 Manner of Amendment

A patentee may enjoy the rights of submitting arguments and evidence and amending claims to overcome the defects specified in the request for invalidation, as an attempt to maintain their patent as valid. Amendment to a patent is a significant approach taken by the patentee in response to the request for invalidation.

There are specific requirements for the manner of amendment made by a patentee in the patent invalidation proceeding. Any amendment to a patent for invention or utility model shall be limited to the claims only, and shall follow the following principles:

- (1) subject matter of a claim cannot be changed;
- (2) the scope of protection cannot be extended as compared to the scope of the granted patent;
- (3) the amendment shall not go beyond the scope of original disclosure of the patent; and
- (4) it is usually not allowed to add technical features not included in the claims of the granted patent.

Manners of Amendment

Subject to the principles above on amendments, manners of amendments to be made are generally limited to the following:

- (1) <u>Claim deletion</u>: deleting one or more claims, either independent claim(s) or dependent claims.
- (2) <u>Solution deletion</u>: deleting one or more technical solutions from several parallel technical solutions defined in the same claim.
- (3) <u>Further limitation to a claim</u>: adding one or more technical features to the claim from other claim(s), to narrow the scope of protection.
- (4) Obvious error correction: correcting obvious error in claims.

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²⁶ Guidelines for Patent Examination (2020), Section 3.1 of Chapter 3 of Part IV.

²⁷ Article 47 of the China Patent Law.

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A patentee may delete a claim or delete a technical solution of a claim in the patent invalidation proceeding when in response to the request for invalidation. However, the patentee may amend the claims through ways other than deleting a claim or a technical solution only in one of the following circumstances:

- in response to the request for invalidation;
- in response to grounds for invalidation or evidence supplemented by the petitioner; or
- in response to grounds for invalidation or evidence not mentioned by the petitioner but introduced by CNIPA.

Manners of Adding One or More features

The manner (3) "further limitation to a claim" refers to the addition of one or more features to a claim from other claims. It is to replace the original manner of incorporation of the entire technical solution of another claim to one claim²⁸.

This was a significant change in the patent invalidation proceeding in China when the manner of amendment was introduced in the system in 2017. Before the change and for the past several decades, there existed very limited and rigid manners of amendment in patent invalidation proceedings, i.e., patent right holders could amend the claims only in two ways, either by deletion of a claim or by incorporation of the entire technical solution of another claim.

This manner of amendment offers more flexibility to a patentee to amend a claim in the patent invalidation proceeding as compared with the past and has been used in dozens of patent invalidation cases ever since it has been effective.

It's possible that this manner of amendment by adding partial features of another claim may form a new technical solution of the amended claim which is not literally disclosed in any of the granted claims. It seems not predictable to the public how a patentee may amend the claims in a patent invalidation proceeding. One point in practice is that the flexibility of amending a claim causes uncertainty on claim construction of a granted patent and of the same patent amended during the patent invalidation proceeding.

The IP tribunal of the Supreme People's Court (SPC) emphasized that such amendments are acceptable in its verdict in 2021 to a second instance of a patent infringement case No. 369²⁹ and gave a solution to solve this concern:

- The manner of amendment by adding partial features of other claims to one claim may form a technical solution different from any one of the dependent claims, but the amendment narrows the scope of protection of the patent and the amended claims still fall into the scope of the granted claim set. Thus, the manner of amendment in the patent invalidation proceeding should be accepted.
- It's admitted that the manner of amendment causes uncertainty to the public. The scope of protection of a granted patent is different from that of the patent after being amended in a patent invalidation proceeding. Thus, the damages to the patentee should be reduced at a certain level for the patent infringement established and happened before the decision for invalidation came into effect, in view of the uncertainty and non-predictableness to the public including the patent infringer.

²⁸ Amendments of the Guidelines for Patent Examination in 2017.

²⁹ Supreme People's Court of China Civil Verdict, (2019), ZuiGaoFaZhiMinZhong No. 369, http://enipc.court.gov.cn/zhcn/news/view-1158.html, Annex II.



The SPC case provided a good example of solving the conflict and balancing the interests of the patent right holder and the public. It offers the patentee the flexibility of amending claims in the patent invalidation proceeding and meanwhile, requests the patentee's pay off on reduced damaged in the patent infringement litigation proceeding to offset the uncertainty to the public.

Different from China, holders of European patents have more flexibility in amending the patent, as they may amend the description, claims, and drawings in the opposition proceeding. Amendment to patent specifications and drawings is not possible once a Chinese patent is granted. Amendments to European patents are admissible if they are triggered by the grounds for opposition or are the result of national rights of an earlier date. Where the patent is amended, the opposition division may allow other amendments not related to the grounds for opposition if these amendments are necessary and appropriate. The amendments must also be allowable, so they cannot add subject matter to the patent, or introduce other deficiencies, or extend protection conferred by the patent as applied.

2.2.8 Formality Examination

CNIPA will conduct a formality examination on the following items upon receipt of a request for patent invalidation³⁰:

- (1) object patent for invalidation;
- (2) eligibility of a petitioner;
- (3) grounds and evidence presented by the petitioner;
- (4) format of documents submitted; and
- (5) fees and other formality requirement.

CNIPA may issue one or more of these notifications to the petitioner after the formality examination:

- Acceptance of the request
- Rectification to be made
- Non-acceptance of the request, and / or
- Waiting for an earlier decision on invalidation of the same patent

The formality examination in the patent invalidation in China is similar to the steps for checking the admissibility of a patent opposition before the EPO and notifications will be issued for various remediable and non-remediable deficiencies.

2.2.9 Substantive Examination

The examination of an invalidation case will be conducted as per the request made by the petitioner and in the scope of the grounds and evidence submitted by the parties concerned. CNIPA is not responsible for performing a comprehensive examination on the validity of the patent³¹ in most cases.

CNIPA may take different manners of examination for different circumstances, such as directly taking an examination decision of invalidating the whole patent, concluding the case through oral proceedings, or performing the examination in written form³².

³⁰ Guidelines for Patent Examination (2020), Section 3 in Chapter 3 of Part IV.

³¹ Guidelines for Patent Examination (2020), Section 4.1, in Chapter 3 of Part IV.

³² Guidelines for Patent Examination (2020), Section 4.4.4, in Chapter 3 of Part IV.

CNIPA may examine a number of cases together to increase the efficiency of examination and lighten the burden of the parties concerned, in the following circumstances³³:

- (1) if more than one case of request for invalidation is directed to the same patent; and
- (2) if a part or all parties concerned are the same and the facts of the cases relate to each other for cases of request for invalidation directed to different patents.

Please note that the evidence in different cases of invalidation in the combined examination cannot be used in a combined way.

Except the comments submitted by the petitioner and the patentee, CNIPA will not accept a third party in the patent invalidation proceeding. This is similar to the opposition in France, but different from the opposition before the EPO or in Germany where a third party's opinion can be accepted and considered but may not be responded to by the official authorities.

Simple cases may be examined by a single examiner³⁴ but most invalidation cases are collegially examined by a panel consisting of three examiners of the CNIPA.³⁵ A five-member panel will be established to examine difficult cases such as a case of great influence in China or abroad, or involving important difficult legal issues, or involving great economic interests. A new panel will be formed comprising at least partially different members if the same petitioner filed a new request for invalidating the same patent on different grounds, or on the basis of different evidence after a decision is made by CNIPA to uphold a patent right fully or partially, or if a decision is overturned by the court.

The opposition division, a department within the EPO, consists of three technically qualified examiners, at least 2 of whom have not yet taken part in the grant of the patent in question. If the opposition division considers that the nature of the decision requires, a legally qualified examiner who was not involved in the grant proceedings may be added. The opposition division has a similar function like the panel of CNIPA and takes a wider responsibility including formality examination and substantive examination.

2.2.10 Oral Hearing

An oral hearing is not a mandatory proceeding in an invalidation procedure, but any party concerned in the invalidation proceeding may request for oral proceedings upon necessity³⁶. The oral hearing will also be conducted in most cases as long as the patentee responds to the notice issued by CNIPA during the invalidation proceeding.

The oral hearings will be conducted in public unless they need to be kept confidential in accordance with the provisions of the laws or regulations.

The suspension of oral proceedings may happen in the following circumstances³⁷:

- (1) if the party concerned requests some panel members to recuse themselves;
- (2) if both parties require negotiation for settlement;
- (3) if it is likely to be necessary for further demonstration of the invention creation;

³³ Guidelines for Patent Examination (2020), Section 4.5, in Chapter 3 of Part IV.

³⁴ Guidelines for Patent Examination (2020), Section 4, in Chapter 1 of Part IV.

³⁵ Guidelines for Patent Examination (2020), Section 3, in Chapter 1 of Part IV.

³⁶ Guidelines for Patent Examination (2020), Section 2, in Chapter 4 of Part IV.

³⁷ Guidelines for Patent Examination (2020), Section 6 in Chapter 4 of Part IV.



(4) any other circumstance where the panel deems necessary for suspension.

The EPO must issue summons to oral proceedings if the EPO considers it expedient to hold such proceedings, or if any of the parties requests oral proceedings. The summons usually contain a document stating a preliminary opinion of the EPO. The purpose of this preliminary opinion is to focus the oral proceedings on the main points at issue, and ultimately to make the proceedings more efficient allowing the parties to prepare beforehand. As a comparison, CNIPA will not share its own opinion on the invalidation case until issuing a final decision. It may be beneficial to any parties concerned to get an opportunity to explain if CNIPA could share their preliminary opinion in advance.

The hearing will be usually held within two months upon the notice issued by CNIPA. However, it's required for the EPO to issue summons at least two to six months prior to the oral proceedings³⁸, which may allow both parties to have sufficient time to prepare and possibly extend the duration for examination of the EPO opposition.

Oral proceedings can be held online by video conference, which is called remote oral hearing in China. The first remote oral hearing for the invalidation case was carried out in Guangzhou in 2016 and CNIPA has launched a new way of examination of patent invalidation cases by remote oral hearing at a large scale for the first time since 2020 due to the COVID-19 pandemic situation.

It is reported that the CNIPA has examined 2,100 patent invalidation cases by remote oral hearings from February to August in 2020³⁹. This new way of hearing of patent invalidation cases is both time and cost efficient for parties involved and is also environment friendly by reducing carbon emission due to reduced travels. It is believed that remote oral hearing will become a major mode for examination of patent invalidation cases in the future to expedite the examination process and will also be more convenient to the parties.

This trend can also be observed at the EPO where the future wide-scale implementation of video conferencing for oral proceedings is currently being discussed, due to its successful use over the pandemic. In fact, in 2021, video conferencing was used as the default option for opposition hearings at the EPO. The EPO has witnessed high satisfaction rates with 2/3rds of oral proceedings through video conferencing rated by the users to have been good or very good. The EPO also witnessed similar advantages to China, namely the reduced travel. The Enlarged Board decided⁴⁰ that oral proceedings through video conferencing are oral proceedings within the meaning of Article 116 EPC. The right to be heard and the right to fair proceedings is also respected through video conferencing of oral proceedings. However, it did state that in-person oral proceedings are still the optimum format to fulfil the basic procedural rights, as although video conferencing can ensure communication, it involves less direct human interaction than in-person proceedings.

CNIPA provides on its website, guidelines for parties participating in online video conference via PC or mobile phone⁴¹, and the EPO has also offered regular support and outreach to its users concerning oral proceedings

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³⁸ EPO provides that At least two months' notice of the summons shall be given, unless the parties agree to a shorter period, while Marcus O. Müller, Cees A.M. Mulder recites in their book Proceedings Before the European Patent Office A Practical Guide to Success in Opposition and Appeal (2nd Edition, , Edward Elgar Publishing, page 80) that "if oral proceedings are summoned, the opposition division will normally issue the summons at least six months in advance of the date of the oral proceeding".

³⁹ Remote Oral Hearing: the New Normal of Patent Invalidation Examination Procedure, by ZHANG Binbin, http://www.shzgh.org/zscq/mtjj/n2513/u1ai26667.html

⁴⁰ Decision of the Enlarged Board of Appeal (G1/21).

⁴¹ http://www.cnipa.gov.cn/col/col2644/index.html

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by video conferencing: such as regular meetings with users., trainings, webinars, FAQs, and technical guidelines. Feedback was collected after each proceeding and a user satisfaction survey was produced. Some of these measures could also be introduced in China to better support users of video conferencing.

2.2.11 Duration

The current patent regulations do not stipulate a legal deadline to conclude an invalidation case. CNIPA has been facing new challenges and pressure from the pubic to conclude an invalidation case in a timely manner, with the continuous increase in invalidation cases over the past 10 years and at a rate above 15% for the past three years.

It is said that CNIPA has set up internal timeline of average 5 to 6 months to conclude an invalidation against a utility model patent and 6 to 8 months for an invention patent. As a comparison, the duration of opposition cases before the EPO is between 15-18 months⁴², which is much longer than the duration of the examination of a patent invalidation case in China. The four-month period for a holder of a European Patent to respond to the opposition may be one reason for the longer duration.

The interests of the petitioner and the patentee usually conflict with each other in the patent invalidation proceeding, especially when the target patent is involved in an infringement lawsuit. Therefore, it is very likely in an invalidation procedure that one party wants to expedite the procedure while the other party wants to slow down it.

Expedition

Expedition of a patent invalidation proceeding is possible. A priority examination system is available to allow a patent invalidation case to be examined and concluded in a shortened period.

Any party involved in the patent invalidation can request for priority examination if the invalidation case is associated with a patent infringement lawsuit or is of great significance to the national interest or public interest. Besides the parties concerned, a local intellectual property office, or the Court, or an arbitration mediation organization can request for priority examination for the invalidation case as well⁴³.

It is required that a patent invalidation case for invention and utility model patents shall be concluded within five months upon the approval of priority examination by the CNIPA⁴⁴.

The priority examination may be stopped in certain circumstances, such as the invalidation petitioner has submitted supplementary evidence and grounds, or the invalidation case has been recognized a difficult case by CNIPA.

Later on, due to the pandemic, the length of procedures lengthened with 74% being completed in 18 months - https://documents.epo.org/projects/babylon/eponet.nsf/0/66A405546212DDF4C12586FC00330A90/\$FILE/quality_rep_ort_2020_en.pdf page 37. The use of video conferencing for oral proceedings was also used as a tool to deal with the back log of opposition proceedings that had built up due to their postponement as a result of the pandemic.

⁴² In 2020 the mean time for the opposition division to issue its decision was 15.5 months from the expiry of the opposition period – see page 43 http://documents.epo.org/projects/babylon/eponet.nsf/0/C1478339D8F3C44CC12586FD004FDAC5/\$FILE/annual review 2020 en.pdf

⁴³ The Administrative Measures for Patent Priority Examination (2017) (Order No. 76 of the CNIPA)

⁴⁴ The Administrative Measures for Patent Priority Examination (2017) (Order No. 76 of the CNIPA)



Suspension

A request for suspension of a patent invalidation case can be filed to slow down the invalidation proceeding.

One situation is that that the patent of concern is involved in an ownership dispute⁴⁵. CNIPA will usually suspend the examination of the patent invalidation in this situation to ensure the real patentee may not lose the opportunity to participate in the proceeding and fight against the request for invalidation.

Another situation is that both the petitioner and the patentee agreed to negotiate to settle the invalidation case. CNIPA may issue a certain time for both parties to negotiate and temporarily refrain from making a decision. The request for invalidation may be withdrawn in this situation or CNIPA may proceed further if no agreement was reached between the petitioner and the patentee.

Expedition cannot be requested by either party of an EPO opposition procedure, while the EPO has employed a procedure since 2016 to bring opposition proceedings to a faster conclusion with the overall duration of approximately 15 months. No similar suspension procedure is available in EPO oppositions.

2.2.12 Outcome and Remedy

The outcome of a request for invalidation may include the following:

- (1) the request for invalidation is withdrawn or is deemed to have been withdrawn by the petitioner;
- (2) the request for invalidation is examined and concluded:
 - the patent is declared invalid in whole, similar to revocation decision of EPO opposition;
 - the patent is declared invalid in part; or
 - the patent is maintained to be valid.

Either the petitioner or the patentee may appeal against the decision made by CNIPA and initiate an administrative litigation proceeding before courts if they're not satisfied with the decision. The decision for invalidation will not come into effect if it has been appealed before the Beijing IP court within 3 months after the decision's issuance.

The appeal against the invalidation decision shall be raised to the court in China, which is a judicial remedy procedure. The appeal procedure before the Boards of Appeal of the EPO is also a judicial procedure.

2.2.13 Fees

The fee for request for invalidation against an invention patent is CNY 3,000 (395 Euro), and the fee for request for invalidation against a utility model patent is CNY 1,500 RMB (197.5 Euro), see Table 2 below.

Official fees for requesting patent invalidation in China and EPO, GE, FR oppositions

Jurisdiction	Procedure	Official fee (Invention)	Official fee (Utility model)		
China	Invalidation	395 Euro (CNY 3,000)	197.5 Euro (CNY 1,500)		

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⁴⁵ Guidelines for Patent Examination (2020), Section 7 in Chapter 7 of Part V.



EPO	Opposition	815 Euro	NA
Germany	Opposition	200 Euro	200 Euro
France	Opposition	600 Euro	600 Euro

Table 2

The official fees are different for requesting invalidation against an invention patent and a utility model patent, it is half cost for requesting invalidation of a utility model patent. It might be because that different workload is expected for examination due to different levels of requirement on non-obviousness between an invention patent and a utility model patent, which is much lower for the latter one.

The official fee for patent opposition before the EPO and in France is higher than the fee for patent invalidation against an invention patent in China and, out of those considered, only the fee for opposition in Germany is cheaper than in China.

2.3 Utilization of Patent Invalidation System

We have used both the data published by official authorities and Rouse CIELA Database to analyse the utilization of the patent invalidation system in China and make a comparative study with the data relevant to the EPO oppositions.

Please note that the Rouse CIELA data used in this report has been collected as of March 29, 2021. It should be noted that there are some problems with the published data on the official website (such as lack of information and errors in individual decisions). Therefore, some wrong or unusable data were deleted in the statistical process, and the data of nearly ten years after 2011 were given more consideration. The statistical results here may not be consistent with the official data due to the data deletion and the shortcomings of the algorithm.

2.3.1 Number of Patent Invalidation Cases

The number of requests for patent invalidations in China has maintained a steady growth trend, with an average annual growth of 12.7% from 2015 to 2019⁴⁶.

61,295 requests in total for patent invalidation (three types of patents) were received by CNIPA from 2015 to 2019, and 90.4% of them, i.e., 55,397 invalidation cases, were concluded. In the year of 2019, total 6,015 requests for patent invalidation were filed, growing by 15% as compared to the previous year, and 5,327 invalidation cases were concluded in the same year, and in 2020, total 6,178 requests for patent invalidation were filed and 7,144 invalidation cases were concluded in the same year⁴⁷. The percentage of the concluded patent invalidation cases of the year reflects that the examination of patent invalidations remains to be similar speedy as compared with the previous year, even with the substantial increase in the case numbers.

The requests for patent invalidation in 2019 comprise 1,403 (23.3%) requests for invalidation against invention patents, 2,499 (41.5%) for utility model patents, and 2,113 (35.1%) for design patents, in 2020 comprise 1,442 (23.3%) requests for invalidation against invention patents, 2,664 (43.1%) for utility model patents, and 2,072 (33.5%) for design patents.

The rate/ratio of requests for patent invalidation to the number of valid patents in the past five years has been stable at approximately 0.05% (ratio of the number of the requests for invalidation to the number of valid patents of the same year).

In 2020, the invalidation request rate for invention patents⁴⁸ was 0.05%, the invalidation request rate for utility model patents was 0.04%. The relatively low rate of invalidation requests might be an indicator that the patent

⁴⁷ Brochure 2020 and Brochure 2021 released by the Patent Re-examination and Invalidation Department of CNIPA in its website. http://reexam.cnipa.gov.cn/fsgk/fswxzpx/xzc/index.htm; Annual Report 2020 released by CNIPA. <a href="https://www.cnipa.gov.cn/module/download/downfile.jsp?classid=0&showname=%E5%9B%BD%E5%AE%B6%E7%9F%A5%E8%AF%86%E4%BA%A7%E6%9D%83%E5%B1%802020%E5%B9%B4%E6%8A%A5 <a href="https://www.cnipa.gov.cn/module/download/downfile.jsp?classid=0&showname=%E5%9B%BD%E5%AE%B6%E7%9F%A5%E8%AF%86%E4%BA%A7%E6%9D%83%E5%B1%802020%E5%B9%B4%E6%8A%A5 <a href="https://www.cnipa.gov.cn/module/download/downfile.jsp?classid=0&showname=%E5%9B%BD%E5%AE%B6%E7%9F%A5%E8%AF%86%E4%BA%A7%E6%9D%83%E5%B1%802020%E5%B9%B4%E6%8A%A5 <a href="https://www.cnipa.gov.cn/module/download/downfile.jsp?classid=0&showname=%E5%9B%BD%E5%AE%B6%E7%9F%A5%E8%AF%86%E4%BA%A7%E6%9D%83%E5%B1%802020%E5%B9%B4%E6%8A%A5 <a href="https://www.cnipa.gov.cn/module/download/downfile.jsp?classid=0&showname=%E5%9B%BD%E5%AE%B6%E7%9F%A5%E8%AF%86%E4%BA%A7%E6%9D%83%E5%B1%802020%E5%B9%B4%E6%8A%A5 <a href="https://www.cnipa.gov.cn/module/download/downfile.jsp?classid=0&showname=%E5%9B%B0%E5%AE%B6%E4%BA%A7%E6%9D%83%E5%B8%AF%86%E4%BA%A7%E6%9D%83%E5%B8%AF%86%E4%BA%A7%E6%9D%83%E5%B8%AF%86%E4%BA%A7%E6%9D%83%E5%B8%AF%B6%E4%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E6%BA%A7%E

⁴⁶ The China Patent Survey Report 2020. The report covers 24 provinces (autonomous regions and municipalities) in China in 2020, involving enterprises, universities and scientific research institutions possessing valid patents of invention, utility model and design as of the end of 2019.

⁴⁸ Invalidation rate for invention patents = number of requests for patent invalidation against invention patents of a year / number of total valid patents by the end of the year.

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invalidation system has not yet been well utilized in China to attack patents of concern compared to the motivation of filing more patents, or the proportion of patents of value is small as only those patents of concern to opponents will be attacked and claimed to be invalid.

Case numbers of requests for invalidation of three types of patents in China and the invalidation request rates thereof

	Invention	Utility model	Design	Subtotal
Request for invalidation in 2019	1,403 (23.3%)	2,499 (41.5%)	2,113 (35.1%)	6,015
Invalidation request rate in 2019	0.05%	0.05%	0.12%	0.06%
Request for invalidation in 2020	1,442 (23.3%)	2,664 (43.1%)	2,072 (33.5%)	6,178
Invalidation request rate in 2020	0.05%	0.04 %	0.9%	0.05%

2.3.2 Results of Patent Invalidation Cases

A total of 18,214 cases of requests for patent invalidation (excluding design patents) were concluded during the 10 years from 2011 to 2020⁴⁹, wherein:

- 8,404 cases (46.1%) wherein patents in question were declared to be wholly invalid;
- 2,544 cases (14%) wherein patents in question were declared to be partially invalid, and
- 7,266 cases (39.9%) wherein patents in question were declared to be valid.

The data shows that over 60% cases were decided to invalidate at least a part of claims of the patents in question. Figure 3 below shows the percentage of three types of outcomes of patent invalidation cases, and Figure 4 shows the distribution of the three types of the decisions over the years from 2011-2020.

Proportion of Results of Decisions for Patent Invalidation in China

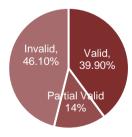


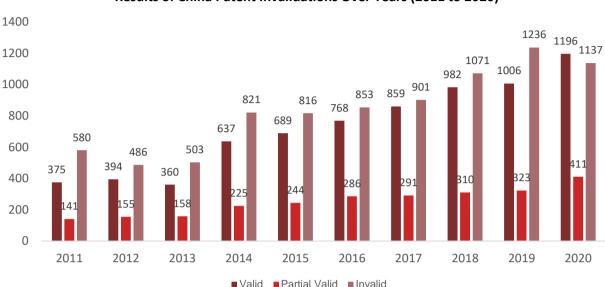
Figure 3

According to further analysis of the number of patent invalidation requests accepted and concluded during the 10 years from 2011 to 2020, and the number of cases declaring patent wholly invalid accounts for 40-50%

⁴⁹ Rouse CIELA Database.



of the total number of invalidation cases each year⁵⁰. In 2020, this is the first time that the number of patents being wholly invalidated is lower than the number of patents being upheld valid (excluding partially valid) in the patent invalidation proceeding.



Results of China Patent Invalidations Over Years (2011 to 2020)

Figure 4

Table 4 below shows the number of invalidation cases (excluding design patents) of the three different results by target patent type⁵¹. Overall, the proportion of invention patents held valid is much higher than that of utility model patents, with a validity rate (the ratio of number of cases being held valid or partial valid in the total cases) of 67%, which is almost 20 points higher than that of utility model patents. To some extent, the low stability of utility model patents greatly increases the probability of the patent being declared invalid. The number is also lower than 73% patents in the EPO oppositions in 2018 were upheld valid either as granted or in an amended form.

In addition, it can be seen from the table that the number of requests for invalidation of invention patents is obviously less than that of utility model patents, or even less than half of the number of requests for invalidation of utility model patents.

Results of Decisions for China Patent Invalidation by Type of Patent⁵²

	Invalid	Partial valid	Valid	Total	Validity rate
Invention	1885	825	2978	5688	67%
Utility Model	6519	1719	4288	12526	48%
Total	8404	2544	7266	18214	54%

⁵⁰ Rouse CIELA Database.

⁵¹ Rouse CIELA Database.

⁵² Rouse CIELA Database.



Table 4

2.3.3 Administrative Litigations Examining Decisions for Patent Invalidation

In 2019, a total of 1,540 first trial administrative litigation cases were filed with the Beijing Intellectual Property Court for appealing decisions of patent re-examination and patent invalidation requests, in which 1,431 cases (92.9%) are against decisions of patent invalidation, and the number of the first trial administrative litigation cases is inclined to 1376, as can be found in the figure 5 below⁵³.

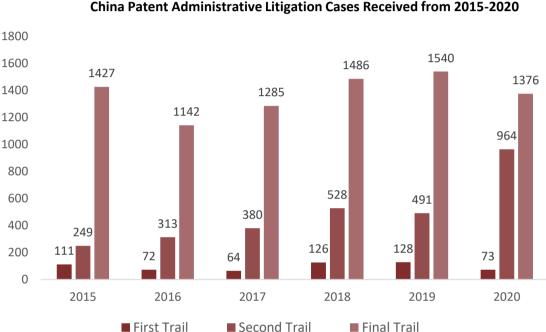


Figure 5

There are a total of 1,553 court verdicts from 2011 to 2020 for first instance administrative litigation cases examining patent invalidation (first instance, excluding design patents), and 1,334 (85.9%) verdicts maintain the invalidation decision made by CNIPA, and 219 (14.1%) verdicts revoking CNIPA's invalidation decisions⁵⁴.

Figure 6 below shows the number of decisions for patent invalidation made by the CNIPA being supported or revoked by the China's courts over the ten years from 2011 to 2020.

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⁵³ Brochures 2020 and 2021 of the Patent Re-examination and Invalidation Department, CNIPA

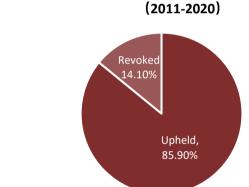
⁵⁴ Rouse CIELA Database.





Figure 7 shows the overall proportion of China's courts supporting or revoking patent invalidation decisions made by the CNIPA⁵⁵.

China Patent Invalidation Lawsuits, First Instance Verdicts



■ Maintain ■ Revoke

Figure 7

Figure 6

The number of administrative litigations examining invalidation decisions has been changing and varied over years and achieved its peak in 2018 in the recent 5 years. For a vast majority of patent invalidation cases, the courts would support the invalidation decision made by CNIPA. It proves the impression in practice that it's difficult to turn over CNIPA's invalidation decision in an administrative litigation. One reason for the low success rate of turning over the invalidation decisions made by the CNIPA may be that the validity of a patent in question has been fully examined in the patent prosecution and the invalidation proceeding and invalidation decisions are of relatively high quality.

⁵⁵ Rouse CIELA Database.

2.3.4 Timeline of Examination of Patent Invalidation

The Patent Re-examination and Invalidation Department claims that the annual average timeline for examination of patent invalidation cases has been shortened and remained up to six months in recent years. The shortened and stable timeline for examination on patent invalidation cases indicates that the patent invalidation system performs well in China even with the steady growth of patent invalidation cases each year.

Figure 8 below presents the number and trend of patent invalidation cases received and concluded in the recent five years from 2014 to 2019⁵⁶.

Re-examination and Invalidation Requests Received and Concluded in China

(2015-2020) 15000 12678 Acceptance of request for reexamination Reexamination cases concluded ■ Acceptance of request for invalidation Invalidation cases concluded Average pending period of reexamination requests Average pending period of invalidation requests

Figure 8

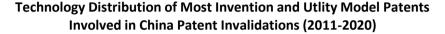
⁵⁶ Brochures 2020 and 2021 of the Patent Re-examination and Invalidation Department, CNIPA



2.3.5 Technical Distribution of Patent Invalidation Cases

We have analysed all the decisions of patent invalidation as made during the ten years from 2011 to 2020 and identified the top eight technologies of most patents (invention and utility model) involved in these invalidation cases based on the IPC index⁵⁷. The top three patent invalidation intensive areas are: "performing operation, transporting", "human necessities", and "electricity", and the rest ones are "textiles & paper", "chemistry, metallurgy", and "fixed constructions".

See Figure 9 below.



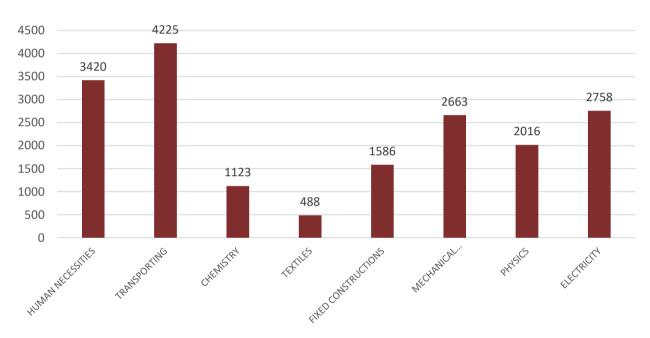


Figure 9

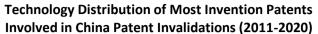
We have also analysed the technology distribution by differentiating invention and utility model patents due to the narrow scope of the subject matters of a utility model patent focusing on the shape, the structure, or their combination, of a product.

Figure 10 illustrates the top three technologies of most invention patents involving in patent invalidations are "electricity", "performing operation, transporting" and "human necessities", and the rest ones are "textiles & paper", "fixed constructions", and "mechanical engineering, lighting".

Figure 11 illustrates the top three technologies of most utility model patents involving in patent invalidations are "performing operation, transporting", "human necessities", and "mechanical engineering, lighting", and the rest ones are "textiles & paper", "chemistry, metallurgy", and "fixed constructions".

⁵⁷ Rouse CIELA Database.





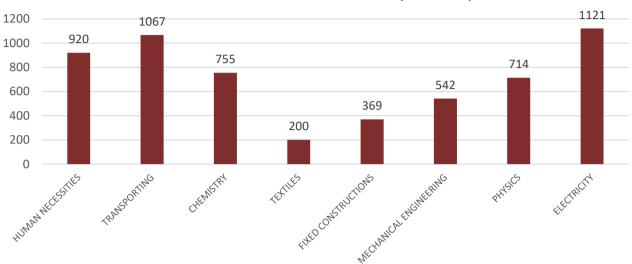


Figure 10

Technology Distribution of Most Utility Model Patents Involved in China Patent Invalidations (2011-2020)

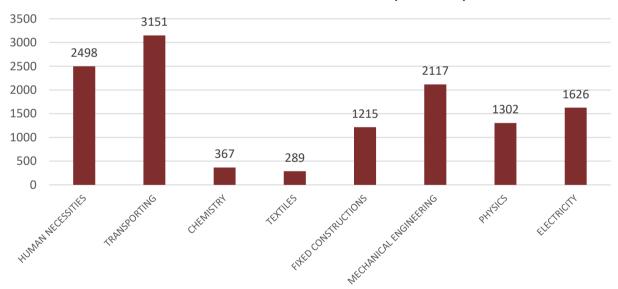


Figure 11

The data shows that "performing operation, transporting" and "human necessities" are the two areas with the most patent right dispute for both invention and utility model patents. In invention patent invalidation, electricity is the area with intensive patent invalidation disputes. This seems to be consistent with the quick development in the electronic industry today.

2.3.6 Comparison with European Patent Opposition



We collected and analysed EPO opposition statistics as a comparative study⁵⁸. The comparative study only focuses on the invalidation rates and results without covering detailed regulations at a European country level.

The opposition rate (proportion of patents which are opposed amongst those for which nine months delay expired during the reported period) in 2019 was 2.7%. In 2019 the EPO issued 3,673 opposition decisions⁵⁹, in 71.4% of the cases the patents were upheld either as granted or in an amended form, see figures 12 and 13 below.



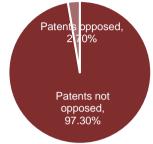


Figure 12

Distribution of three types of results decided by the EPO on patent opposition cases

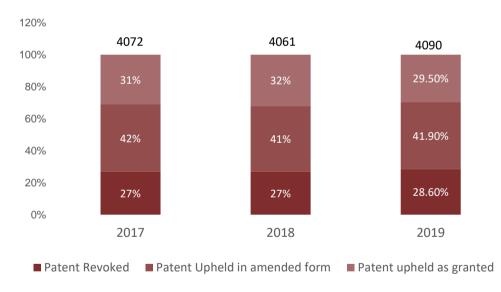


Figure 13

⁵⁸ EPO Annual Review 2018. https://www.epo.org/about-us/annual-reports-statistics/annual-report/2018/statistics/searches.html

⁵⁹ Opposition decisions communicated by EPO examiners. Oppositions must be filed at the EPO within nine months of the grant of the respective European patent. www.epo.org/applying/european/oppositions.

The data of EPO opposition rate shows that stakeholders of European Patents are more willing to file an opposition against a patent of concern, which is a sharp comparison with patent stakeholders in China, i.e., the EPO opposition rate of 2.7% is 45 times of the invalidation request rate of 0.06% (in 2019) in China.

2.4 Comments on the Patent Invalidation System

We carried out our survey by interviewing a number of stakeholders from China and EU respectively, including two Chinese inhouse counsels from Chinese companies with business in the EU, two EU inhouse counsels from EU based multi-national corporations (MNC) with business in China, and one Chinese legal counsel from a US based MNC to understand their opinions to the patent invalidation system in China.

We published the questionnaire online for survey and circulated the same to legal associates in the IP industry including practitioners from IP firms and inhouse counsels from corporations.

We also refer to the survey report published by the CNIPA relevant to patent invalidation system which covers a broader scope of people being involved in the survey.

2.4.1 Questionnaire and Survey Result

• Recognition of the Significance of Patent Invalidation

Our survey and interview showed that 100% respondents from China have known the patent invalidation system in China, 25% corporate respondents have the experience in dealing with patent invalidations and over half of 55% practitioner respondents have confidence in the patent invalidation system and only 9% have concerns⁶⁰.

The CNIPA survey indicates that 94.0% patent holders in China believe that the China patent invalidation system plays an important role to offer the public a channel to re-examine CNIPA's decisions on issuing a patent and it is a strategic legal tool in fighting against patent infringement behaviour or narrowing down the scope of a patent in self-invalidation procedure to obtain a stronger valid patent, which is 1.8% points higher in 2020 than previous year⁶¹. It reflects that patent holders have a deep understanding of the legal role of the patent invalidation system in China.

Recognition of the System Supporting Innovations and Technology Development

More than 70% of patent holders believe that the China patent invalidation system provides positive support to the innovation and technology development. 76.3% of the national high-tech enterprise patent holders believe that the patent invalidation system meets the needs of supporting and encouraging innovations⁶². The data reflects the fact that high-tech enterprises enjoy and obtain the benefit of using the system to defend their own patents of high value or challenge their opponents' patent of low patentability.

⁶⁰ Annex I of the report.

⁶¹ China Patents Survey Report 2020.

⁶² 2020 China Patents Survey Report, pages 139 -142.

Our interviews with corporate patent counsels indicate that the patent invalidation occasionally does not work well to revoke the patents, especially the utility model patents, which were filed in bad faith and generally lack of novelty, inventiveness, or practical applicability⁶³.

Satisfaction with the Duration of Patent Invalidation

Our survey and the CNIPA survey illustrate that Chinese practitioners and patent holders are relatively satisfied with this duration for invalidation examination. The survey result is consistent with the comparative statistical data. CNIPA announced that the average duration of patent invalidation examination in China is about 5.9 months in 2020, and CIELA data indicates it to be 6 to 12 months. The duration of EPO opposition procedure is average 22.4 months in 2017, 18.6 months in 2018, 18.7 months in 2019 and 15.5 months in 2020⁶⁴, which is shortened but still longer than the average duration of patent invalidation cases in China.

Satisfaction with Grounds and Evidentiary Burden

Our survey shows that over a half of respondents believe the grounds are sufficient for invalidating unqualified patents, over half respondents are satisfied with the evidence requirement and the evidentiary burden in the current invalidation system⁶⁵.

We discussed the addition of "bad faith" as the legal ground for patent invalidation 66. Some respondents from China believe this change would be a good approach to deal with bad-faith patent applications which become a serious issue in China, and some respondents from the EU do not think it necessary to add it as a ground for invalidation.

2.4.2 Motivation to Request for Patent Invalidation

In most cases, a presumed patent infringer initiates an administrative proceeding to attack the legal basis of the patent infringement claimed in a civil litigation procedure, or when a patent constitutes a barrier for business operations.

Both practitioner respondents and corporate respondents from China or the EU agree that patent invalidation is a useful legal tool in response to patent infringement claims. Almost all the Chinese respondents in our survey have experience in patent invalidation and they will request for patent invalidation in two scenarios of being sued or receiving a warning letter for patent infringement.

There is a specific situation in China, i.e., a patentee may request for invalidation against their own patent in order to obtain a more stable patent right, especially for a utility model patent which is granted without being subject to prior art search and examination procedure. A utility model patent may possess inventiveness and become stronger after the patent is amended in the patent invalidation proceeding to differentiate it from the

⁶³ Annex I of this report.

⁶⁴ Data source from: https://www.epo.org/about-us/annual-reports-statistics/annual-report/2018/statistics/quality- indicators.html; https://www.epo.org/about-us/annual-reports-statistics/annual-report/2019/at-a-glance.html; http://documents.epo.org/projects/babylon/eponet.nsf/0/C1478339D8F3C44CC12586FD004FDAC5/\$FILE/annual revi ew 2020 en.pdf (page 43); ...

⁶⁵ Annex 4.2 of this report.

⁶⁶ https://weibo.com/ttarticle/p/show?id=2309404564925933813808

prior art identified by the patentee. Patent invalidation procedure is the only channel to amend the claims of a patent after it is granted.

Patent invalidation could also be used as an approach to expedite patent enforcement. A utility model patent will be considered as a strong patent by the court and the public after being upheld valid in the patent invalidation proceeding. The Supreme People's Court (SPC) issued a notice in 2015 that courts may decide not to suspend the proceeding of a patent infringement case based on a utility model patent if the utility model patent has been maintained valid in a previous patent invalidation procedure⁶⁷.

As previously discussed, the EPO opposition rate is much higher than the invalidation rate in China. The purpose to oppose a granted patent before EPO is more likely to attack validity of the patent in order to remove potential barriers in view that the opposition should be filed within 9 months upon the grant of the patent. The patent invalidation in China at this point is more similar to the patent nullity proceeding in Germany, France and Italy because the petitioner may choose appropriate timing to attack a patent once it constitutes a concern or a barrier to the business operation. More commercial factors may be considered besides the above to request for invalidation / nullity against a patent, including a strategy to attack competitors or defend themselves, commercial purposes in business, for patent transactions, or others.

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⁶⁷ Several Provisions of the Supreme People's Court on Applicable Legal Issues in the Trial of Patent Dispute Cases" (2015).

3. Important Changes and Recommendations

We have reviewed the major changes made to the patent invalidation system from regulatory and judicial practice perspectives and made recommendations for potential changes in the future.

Legal Grounds for Patent Invalidation

Confidentiality examination was introduced as the legal grounds for invalidation against a patent in 2010, which is consistent with international practice and that of major EU countries.

In addition, "non-compliance with the good faith principle"⁶⁸ may be added as a ground for patent invalidation to solve the serious issue in China with a large number of patents / applications filed with the purpose away from innovation protection. In the Fourth Amendment to the Chinese Patent Law (2020), "good faith principle" was introduced in line with the China Civil Code. The China Patent Law stipulates that:

- if any individual or entity is to file a patent application or to exercise a patent right, they shall abide the good faith principle. The individual or entity cannot abuse the patent right to hurt the public interest or others' legitimate rights and interests;
- those who abuse the patent rights to exclude or restrict competition and constitute monopolistic acts shall be dealt with in accordance with the China Anti-Monopoly Law⁶⁹.

The draft Implementing Regulations of the China Patent Law has added that failure of complying with the principle of "good faith" is a legal ground to invalidate a patent. The public is still a bit concerned how to differentiate "good faith" from "bad faith" and what the line between them is. So, a clear definition of "bad faith" would be essentially important for people to anticipate the legal outcome of their behaviours in the patent industry. This would also increase legal certainty for patent proprietors and those who apply for patents in the future.

Though "non-compliance with the good faith principle" has not been a ground for invalidation yet, the principle of good faith has been applied in the invalidation procedure before the CNIPA. Patents can be invalidated by CNIPA with reasons such as lack of practical applicability if the invalidation petitioner provides evidence that these embodiment(s), technical effect(s), or the data / charts are inaccurate or false. Article 5 in Provisions of the Supreme People's Court on Several Issues concerning the application of law in the trial of administrative cases of patent authorization and verification (I) provides that if a patentee obtained patent rights without complying with the good faith principle by making up the embodiment(s) in the description and

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⁶⁸ The good faith principle could be extended so that patent proprietors also have the reasonable expectation that the CNIPA acts in good faith. In European patent law the principle of good faith is not codified. Nevertheless, the application of this principle (as customary international law) has been acknowledged by EPO's Boards of Appeal, see G5/83. The Boards of Appeal have found a breach of the principle of good faith in a number of cases, the Board of Appeal however has made it clear that the principle applies to all parties in the patent granting process and that the EPO is also obliged to observe the principle of good faith.

⁶⁹ Article 20.1 of the China Patent Law.

the drawing(s), the technical effect(s) or technical contents of data / chart, the corresponding claim(s) of the patent can be determined by the courts as not complying with relative provision(s) of the Patent Law⁷⁰.

· Flexibility in amending claims

Before 2017, patent holders were allowed to amend claims of a patent in the invalidation procedure only by i) deleting one or more claims, ii) deleting a parallel technical solution defined in the claim, iii) and/or incorporating the entire solution of other claims.

Two additional manners of amending claims were introduced with the amendments to the Guidelines for Patent Examination in its amendments in 2017 and are currently still valid. It was a significant change that claims can be amended in the patent invalidation procedure by incorporating one or more features from other claim(s) instead of all the features of other claim(s) as long as the amendment does not go beyond the scope of the granted claim set.

This regulatory change was implemented in practice and confirmed in one typical invalidation case decided by the CNIPA, Invalidation Decision No. 41362 (2019), wherein one patent was declared valid after claims being amended by incorporating partial features of other claims.

Until now, patent holders have not been allowed to amend claims by adding any features disclosed in the specification if they are not defined in the granted claim set. This is reflected in the Invalidation Decision No. 46741 (2020)⁷¹, wherein the patent was declared invalid due to amendments to claims going beyond the scope of the granted claim set.

According to the survey in 2020, a majority of patent holders in China asked for flexibility for amending claims in the patent invalidation procedure to obtain an enforceable and strong patent⁷². One point is that more flexibility should be allowed for amending claims in the patent invalidation procedure as long as the amendments do not go beyond the scope of the original patent application. Rigid and strict requirements on the manner of amending claims seems to be a punishment to improper patent draft, given the fact that the quality of a patent draft is a common issue for China patent holders.

It is advisable to refer to the experience in the EU and adopt similar rules for claim amendments during the patent invalidation proceeding. If a similar approach is taken to that in EPO opposition procedures, then the patent holder would be able to amend the description, the claims, and the drawings. Further, the amendments may not add subject matter which was not disclosed in the application as originally filed, nor introduce other deficiencies, nor extend the protection conferred by the patent as granted ⁷³. This is consistent with the principle of amendments during patent prosecution.

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⁷⁰ Provisions of the Supreme People's Court on Several Issues concerning the application of law in the trial of administrative cases of patent authorization and verification (I), FA Shi [2020] No. 8.

⁷¹ See annex part for the two Invalidation Decisions in detail.

⁷² 2020 China Patents Survey Report, page 141.

⁷³ Amendments must be admissible, meaning they are occasioned by grounds for opposition specified in Article 100 EPC or the amendments are occasioned by national rights of earlier date (see rules 80 and 139 EPC). But the amendments must also be allowable, the amendments may not add to the application or patent subject-matter which was not disclosed in the application as originally filed (Article 123(2) EPC), nor introduce other deficiencies such as lack of clarity in the claims (Article 84 EPC) nor extend the protection conferred by the patent as granted (Art 123(3) EPC).

Examinations on IP Cases

Most accused infringers will initiate patent invalidation procedure in the process of patent infringement proceedings. The patent invalidation is an independent procedure, parallel to the corresponding patent infringement procedure. The court in charge of a patent infringement case may in some situations have to wait for the outcome of the patent invalidation which may be pending for a long time as the administrative decisions can be appealed again and again. Another specific situation may be that the court ruled on the establishment of patent infringement without suspension and the scope of the patent was later narrowed down by the patent holder in the patent invalidation procedure or entirely invalidated. This causes inconsistency between the judicial and administrative proceedings.

Patent holders in most situations may tend to expedite the patent infringement litigation to strengthen their competitive edge by excluding their competitors from the market or enforcing their patent rights by obtaining compensation from accused infringers. However, any parties involved in patent infringement cases may have an inherent motivation of delaying the effective date of the patent invalidation decision by taking advantage of the circular trial if the invalidation decision is not in their favour, as discussed in the above. The long period of suspension on determination of the validity of a patent in question also confuses the public about the effectiveness of the judicial ruling on the patent infringement, even though it may have been finalized. The uncertainty and suspension caused by the parallel procedures calls for a change from either regulatory or practical perspectives, to ensure an effective judgment and ruling on each case.

In some European countries, such as Italy, the determination of patent validity can be solved in a corresponding patent infringement procedure. In view of the principle of separation of administrative and judicial authorities, it is unlikely for China to adopt a similar mechanism now to combine the examination of patent validity and patent infringement into one legal proceeding.

The Chinese government and IP authorities have explored and developed a series of innovative ways to solve existing issues in IP cases examination including patent invalidation proceedings. We observed that the following substantive changes have taken place to solve practical issues in the China patent invalidation system.

(1) Joint Oral Hearing

Substantial changes are made in practice to solve the patent infringement dispute in an efficient way, including joint hearing on patent infringement dispute and patent invalidation by administrative authorities.

The Beijing IP Office and the CNIPA first launched a joint oral hearing in 2019 on patent infringement disputes and patent invalidation cases involving two patents. Four oral hearings were held on the same day to examine validity of the patents in question and determine patent infringement respectively. The authority handling the administrative dispute (i.e., the Beijing IP Office) also heard the patent invalidation examination proceedings held by the CNIPA to understand the features of patent claims. Efficient rulings after the joint hearings by two official authorities were highly praised by both the parties involved and the public⁷⁴.

⁷⁴ China Intellectual Property News: Actively Cooperation with the Patent Verification Authority to Establish the Linkage Mechanism of Administrative Adjudication and Patent Rights Verification -- a New Mode of "One Stop" Resolution of Patent Infringement Disputes, Publicity and Education Department Beijing Intellectual Property Office http://zscqj.beijing.gov.cn/art/2021/3/17/art 5662 599348.html

"Joint oral hearing" enables joint hearing of an accepted administrative adjudication case together with the related patent invalidation case filed with CNIPA at the same time and same place. Till now, more than 10 typical IP infringement and right verification cases have been jointly examined. It is believed that joint hearing will be beneficial to adopt consistent standards of defining the scope of claims in both patent administrative dispute and invalidation proceedings.

"Joint oral hearing" at the same place simultaneously makes it possible for the two official authorities to examine related administrative patent cases from different perspectives in a more efficient way, solving parallel procedural issues as discussed before.

(2) Joint Examination

Following and promoting the successful examination model, the SPC co-examined in 2019 a patent infringement litigation and an administrative litigation against CNIPA's invalidation decision on the validity of a patent which was the legal basis for the patent infringement claim. The rulings were issued separately by the SPC IP and civil tribunals respectively⁷⁵.

Joint examination by the SPC's IP tribunal also realizes simultaneous hearings on both, patent invalidation administrative disputes and patent civil infringement disputes, by making a unified construction of claims on the patent possible.

(3) Local IP Courts and the IP Tribunals

The Chinese government began to establish professional IP courts, IP tribunals within specified local intermediate courts, and the IP tribunal of SPC since 2014 to improve the quality of IP cases rulings by unifying the standards on examination and introducing technical examiners, strengthening protection to IP right holders and improving the mechanism for technological innovation⁷⁶.

Beijing intellectual property court was established first, then the Shanghai IP court and the Guangzhou IP court. By end of 2020, four IP courts were set up in the cities of Beijing, Shanghai, Guangzhou, and in the free trade port of Hainan province. Patent invalidation decisions shall be appealed against before Beijing IP court.

Statistics shows that, in the past two years, the IP tribunal of SPC has received over 5,000 cases and concluded 4,220 cases, with a settlement rate of 82%.

For quality index review, the IP tribunal of SPC concluded 1,742 second instance IP civil cases with a mediation withdrawal rate of 36% and a retrial return rate of 19%, which is higher than the average rate of each high court before the establishment of IP courts.

For efficiency index review, 82.5 cases were concluded per judge in the IP tribunal of SPC in 2020, with an increase rate of 110% as compared to previous year. The average trial period of second instance IP cases is 123 days, similar to the average trial period of civil cases. This is greatly shortened as compared to the average one-year trial period of IP cases before the establishment of IP courts.

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⁷⁵ (2019) SPC IP tribunal Final No. 142; (2019) SPC Civil Final No. 366.

HE Rong: Strive to Create a New Situation of Judicial Protection of Intellectual Property Rights, by the Information Bureau of the Supreme People's court) https://baijiahao.baidu.com/s?id=1693726737293459552&wfr=spider&for=pc

We expect that the quality and efficiency of the examination of the CNIPA's invalidation decisions in appeal proceedings can be improved with the introduction of IP courts and IP tribunals of SPC.

(4) Technical Investigation Officer in patent litigations

The "Technical Investigation Officer" has been fully implemented since May 1st, 2019, in IP case trials, with the announcement of "SPC's provisions on the participation of technical investigation officers in litigation activities in intellectual property cases". IP courts may invite Technical Investigation Officers to participate in technology involved patent litigation cases and Technical Investigation Officers will assist to examine technology relevant facts⁷⁷. But unlike the technical judges in Germany courts and the technically qualified judges in Unified Patent Court⁷⁸, the technical investigation officers in China courts are not judges (judicial officers), but auxiliaries that provide technical knowledge.

With the introduction of Technical Investigation Officer, it is expected that the administrative litigation proceeding to appeal against the CNIPA's invalidation decisions will be faster with quality decisions made, which is beneficial to both the public and patent holders to shorten the suspension period and offer certainty on the status of a patent in question.

The CNIPA and the Ministry of Justice released a document in February 2021 to promote thirteen selected nationwide best practices developed by the local authorities on administrative adjudication on patent infringement disputes⁷⁹, whereby the two key changes relevant to patent invalidation were introduced:

- a) promotion of the "Joint oral hearing" mechanism;
- b) establishment of the "Technical Investigation Officer" mechanism.

We expect that these new approaches will be adopted and implemented and become a common practice. The effective linkage between the administrative and judicial examinations by "joint oral hearing" will shorten the period for enforcement and further the involvement of a "technical investigation officer" will help improve the quality decisions on technology heavy patent invalidation cases in administrative litigation proceedings.

• Long pendency of invalidation decision

It is possible for a decision on patent invalidation to be pending for a long time under the current legal framework, which is named "patent circular trial" in practice⁸⁰. It refers to the situation where the CNIPA's subsequent decision for invalidation on the same patent can be appealed again before courts when the previous decision for invalidation is turned over by courts. This is caused by the separation of judicial authority

⁷⁷ "SPC's provisions on the participation of technical investigation officers in litigation activities in intellectual property cases" issued in April 2019》

⁷⁸ Article 33(3)(a) Agreement on a Unified Patent Court allows a technically qualified judge to be added to the bench when the infringement and revocation action are treated in the same proceedings.

Notice of the general office of CNIPA and the general office of the Ministry of Justice on Promoting the Experiences and Practices on the Construction of National Administrative Adjudication on Patent Infringement Disputes, GuoZhiBanFaBaoZi [2021] No. 8, https://m.thepaper.cn/baijiahao 11683545

⁸⁰ Interpretation of Patent Circular Trial, by YANG Yufang and ZHANG Xi, the Patent Re-examination and Invalidation Department of the Patent Office of CNIPA, http://ip.people.com.cn/n1/2019/0529/c179663-31108691.html

and administrative authority in China and patent invalidity can be determined only in the administrative invalidation proceeding by the CNIPA. The courts can uphold or turn over the CNIPA's decision but cannot directly rule on the validity / invalidity of the patent of question. The determination shall go back to the CNIPA once its decision is turned over by courts and the new decision to be issued can be appealed again.

It may take several years for a patent invalidation decision to be final and legally effective once a patent circular trial is formed. Though it rarely happens in practice, the patent circular trial makes the status of a patent in question uncertain for a long period to both the public and patent holders, which is particularly alarming given that the term for protection of invention patents is 20 years and only 10 years for utility model patents. It sounds essential to speed up the examination of patent invalidation cases and establishing a mechanism for notifying case information between administrative and judicial authorities⁸¹.

Having said that, the examination of the patent invalidation in China is relatively quick. In addition, patent circular trials do not happen so frequently in practice, which is a bit different from the perception of the public. It's reported that, during the seven years from January 1st, 2010, to March 6th 2017, the total number of patent circulation retrial cases were 34, accounting for 0.77% (34 / 4424) of patent invalidation cases entering administrative litigation procedure, and 0.14% (34 / 24593) of all invalidation cases⁸².

A major reason for the patent circular trial's formation in China is that courts, as a judicial authority, can examine, support, or turn over patent invalidation decisions made by the patent administrative authority, but cannot directly rule on the validity of a patent⁸³. It is advisable to consider a regulatory change to authorize the courts to decide whether to handle the issues of infringement and revocation together. If this was the case, then it would be further suggested that a technically qualified judge with expertise in the field of technology is added to the bench in these circumstances.

Concerns on and Suggestions for China Patent Invalidation System from EU respondents

In their reply to our interview questions, some EU respondents expressed their concerns on the Chinese patent invalidation system, which are mainly:

- (1) grounds for patent invalidation;
- (2) difficulty in obtaining evidence for patent invalidation; some respondents said that it is difficult to obtain evidence for patent invalidation, especially in cases where opposition is filed based on use;
- (3) abusing the patent invalidation procedure for malicious infringement litigation;
- (4) national policy.

Also, they expressed their expectation on the revision of other laws and regulations related to the revised Patent Law, and on more professional IP courts and judges specialized in the IP field.

Hopefully, with the current and future changes to the China patent invalidation system, such as with the revision of related laws and regulations, the above concerns can be alleviated.

⁸¹ 2020 China Patents Survey Report, pages 139 -142.

⁸² "Correct Understanding the Dichotomy of administrative / judicial powers in the determination of patent validity", by DONG Tao and WANG Tianxing, 3rd issue of Intellectual Property 2019.

⁸³ Article 70 of the Chinese Administrative Procedure Law.

4. Conclusions

Statistics show that the number of requests for patent invalidations in China has been increasing over the years, but the rate of requests for patent invalidation is still very low, which could be an indicator that the patent invalidation system has not yet been well utilized in China to attack patents of concern compared to the tendency to file more patents.

To help achieve a well-utilizable patent invalidation system, the CNIPA has continuously made efforts to improve the patent invalidation system so as to improve the quality and efficiency of examination. The China patent invalidation system has its uniqueness and has certain areas to be improved in the future. Following are our observations:

Regulatory Review

The patent invalidation is a three-party interaction procedure in most cases, including petitioner, patentee, and the official authority for examination, i.e., the CNIPA. The China patent invalidation and the European patent opposition procedure by the EPO have certain similarities and are different in certain areas. We have made a comparative study between the patent invalidation procedure in China and the opposition procedure before the EPO in the following aspects.

Eligible party to request for patent invalidation

There is no substantial difference between the eligibility of a petitioner to request for invalidation in China and the petitioner to request for opposition before EPO. In China, a patentee can request to partially invalidate their own patent in order to obtain a stronger and stable patent, which is not available in the EPO opposition proceedings.

Grounds for patent invalidation

A petitioner can have more grounds to request for patent invalidation in China as compared with the EPO opposition, such as failure to request for confidentiality examination, similar to foreign filing license, duplicate patenting, and claims lacking support from the description.

Timing to request for patent invalidation

A request for patent invalidation in China can be filed at any time once a patent right is issued, and even after the patent has expired. However, an opposition shall be initiated before the EPO within 9 months upon the grant of the European patent.

Documentation

A petitioner for invalidation shall submit documents including request, grounds for invalidation and evidence upon necessity to initiate the patent invalidation procedure in China. The patentee will be notified and forwarded all the documents submitted by the petitioner and official notifications but does not need to respond, which is similar to the EPO opposition.

Evidence

Acceptable forms of evidence are basically the same in the patent invalidation in China and the EPO opposition, including publications, samples, videos, manuals, oral disclosure, common knowledge, and others. Evidence in language other than official language(s) (Chinese only in China) shall be provided with the Chinese translation.

Manners of Amendment

Only claims can be amended during the patent invalidation procedure. Besides this, China adopts stricter manners of amendment as compared to the EPO opposition. It is not allowed to add one or more features from the specification into the claims in the China patent invalidation proceedings.

Oral Hearing

Oral hearing is not a mandatory procedure in the patent invalidation in China, but most complex cases will go through oral proceedings before being ruled by a Panel formed by CNIPA examiners. Different from the EPO opposition, the Panel will not provide its opinion before or during the oral hearing. Similar with the EPO oppositions, whether the patentee participates in the hearing will have no impact on the proceeding or the decision for patent. However, if the petitioner does not appeal in the hearing, the request for invalidation will be deemed to have been withdrawn.

Duration

The average duration to examine a patent invalidation case in China is 6 to 8 months, quicker than the duration of an EPO opposition. Further, an expedition procedure is available to expedite a patent invalidation case to be ruled within 5 months.

Outcome

There are three types of decision of invalidation such that a patent is declared invalid in whole, similar to the revocation decision made by the EPO; a patent is declared invalid in part; and a patent is maintained to be valid.

Remedy

The CNIPA's decision for invalidation can be appealed before the court, i.e., the Beijing IP Court, subject to a judicial procedure, while the EPO's decision for opposition can only be appealed before the Board of Appeal of EPO, which is also a judicial procedure. As long as the European patent is upheld or upheld in an amended form then the proceedings cannot be seen as final, as the European patent may be subject to national revocation procedures.

Fees

The official fees to request for invalidation are different for an invention patent and a utility model patent. The fee for the utility model patent is half the fee for invention patent. Either fee is much lower than that to request for an opposition before the EPO.

Practice Review

Several substantive changes have taken place regarding practice and judicial procedures to expediate the examinations on patent invalidation and the patent infringement cases and improve the quality of examination on patent cases involving complex technologies, including:

Joint hearing

Two official authorities may examine patent invalidation case and related patent administrative dispute from different perspectives in a more efficient way, solving parallel procedural issues;

Joint examination

The court may examine an administrative litigation and a patent infringement litigation involving the same patent, thereby a unified construction of claims on the patent can be made possible;

Setup IP courts and IP tribunals

local IP courts and the IP tribunals of the Supreme Court, with which the quality and efficiency of examining

of the CNIPA's invalidation decisions in appeal proceedings can be expected to improve, just as those IP courts and specialized IP court/tribunal in EU countries such as German and Italy;

Technical investigation officer

Technical investigator officer mechanism is applied in patent litigation proceedings including administrative litigations related to patent invalidations. This change can ensure the examination on complex patent cases faster with quality decisions.

Expectations and Recommendations

- The "non-compliance with the good faith principle" is expected to form a legal basis for patent invalidation, in order to solve the unique issue in China, in which many patent applications are filed for purposes outside of innovation protection. Application of this principle may be seen in the upcoming Amendment to the Implementing Regulation of Patent Law. Our recommendation is to introduce a clearer definition distinguishing between "good faith" and "bad faith" behaviours. This will remove the advantages of filing bad faith registration and provide a deterrent for bad faith applications. There would also be a greater degree of legal certainty for patent proprietors and patent applicants in the future.
- Introduction of a more flexible approach to amendments during patent invalidation procedure is recommended. It is recommended to take a similar approach to the approach taken in the EPO opposition procedure, namely, to allow the Chinese patent holder to amend the description, claims, and drawings without broadening the scope of protection. This will furthermore align the Chinese practice with the principles of amendments during patent opposition in the EU.
- It is recommended that the preliminary opinion of the Panel is shared with both parties prior to an oral hearing. In this manner, the parties can prepare arguments and questions for cross-examination beforehand, resulting in more efficient proceedings.
- It is recommended that CNIPA take measures to inform and educate the public including patent holders on how to well utilize the patent invalidation system in China. This can take a variety of forms, such as training, webinars, FAQs, and technical guidelines on the invalidation procedures, including oral proceedings. Such measures will alleviate concerns and remove uncertainty regarding instituting and defending patent invalidations.
- It's recommended to introduce an opposition procedure at the pre-grant stage. Currently, invalidation procedure is the only chance to attack a patent of concern. Although a third-party observation (submission of public opinions) is available to attack a pending patent application, such an observation procedure is not transparent to either the third party or the applicant, especially the third party, as it is unknown whether the examiner has taken the observation into account. The opposition procedure may facilitate the early detection and prevention of the grant of a competitor's patent by the party filing the opposition proceeding and avoids the need for subsequent cumbersome invalidation proceedings. Furthermore, it is expected that pre-grant opposition will act as a deterrent for bad faith registrations and provide a more cost-effective solution for the public.
- Introduction of a unified patent systems will be welcomed in Asia, in line with the development of economic globalization and China's increasingly close economic cooperation with neighbouring countries. If in the future China proceeds to promote a unitary patent system, with at least some Asian countries, the European unitary patent system could provide a blueprint for China. Taking the European patent opposition as an example, the proceeding has considerable convenience and cost advantages over normal invalidation proceeding. For example, no need for the opposition to be filed in each contracting country



in which the patent has entered into force. Due to the unique circumstances in Asia, a more credible patent authority will be required, as the promotion of patent integration in Asia faces more complex issues of inter-countries competition, territoriality of patent rights and jurisdictions, and language choice than in the European unitary patent system.

5. Annexes

5.1 List of Survey Respondents and Interviewees

5.1.1 List of Survey Respondents

No.	Respondent Type	Organisation Type	Proportion	Location
1	Practitioners	IP Firm	73%	China, Sweden, French, Germany, UK
2	Inhouse Counsels	Corporation	24%	China, Germany, UK, Sweden
3	Researchers	Organization	3%	China

5.1.2 List of Interviewees

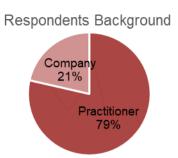
No.	Interviewees	Organisation type
1	Head of Patents	Chinese High-tech Company in Al Industry with business in Europe
2	Legal Counsel	MNC consumer goods company with business in China and Europe
3	Patent Counsel	Chinese Tier 1 company in packaging industry
4	Head of IP	Sweden based MNC with business in China
5	IP Counsel	Sweden based MNC with business in China
6	IP Counsel	EU based MNC with business in China
7	Sweden Practitioner	Sweden IP Firm
8	Anonymous French IP Advisor	French Firms and Companies
9	Italian Legal Counsel	EU based MNC with business in China
10	Italian Practitioner	Italian Law Firm
11	Italian Practitioner	Italian Law Firm
12	Italian Practitioner	Italian Law Firm

Notes: MNC refers to Multi-national Corporation, AI refers to artificial intelligence.

5.2 List of Survey Results

5.2.1 Survey Respondents Introductory

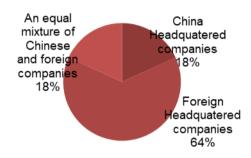




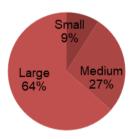


5.2.2 Questionnaire Results

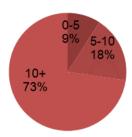
- Practitioner Questionnaire Results
- 1.1 What kind of companies do you mostly act for?



1.2 What size of companies do you mostly act for?

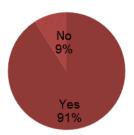


1.3 How long (how many years) have you been practising IP law?

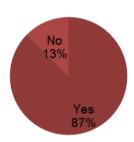




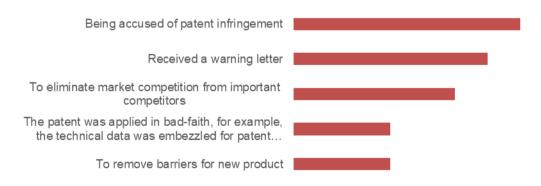
1.4 Have you ever heard/known about patent invalidation system?



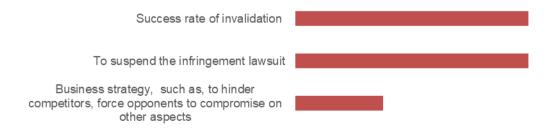
1.5 Did you have the experience of filing for patent invalidation in China (over the past five years)?



1.6 What was the main motivation for filing patent invalidation?

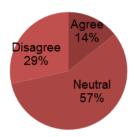


1.7 What was your main consideration in filing an invalidation request?

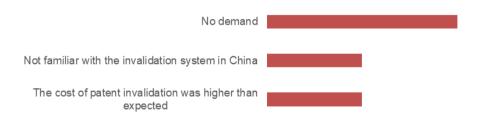




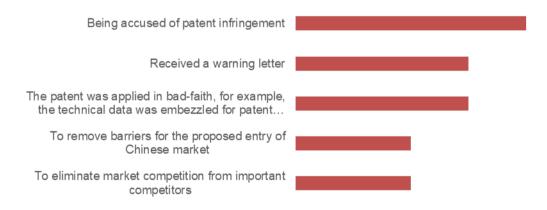
1.8 To what extent do you agree or disagree with the decisions?



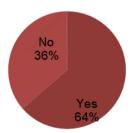
1.9 What is the main reason(s) for not filing patent invalidation?



1.10 Under what circumstances would you file a request for invalidation?

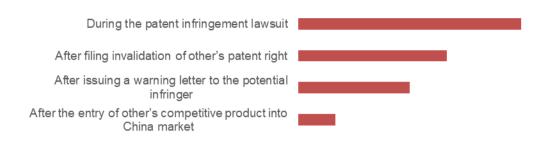


1.11 Did your clients have the experience of being filed patent invalidation in China (in the last five years)?

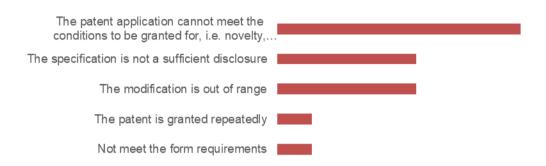


1.12 What is the main motivation for being filed patent invalidation?

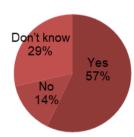




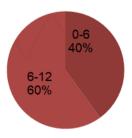
1.13 What do you think are the common reasons?



1.14 Do you think the reasons for patent invalidation request under current rules in China are sufficient?

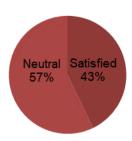


1.15 What is the average period for patent invalidation examination in China (months)?

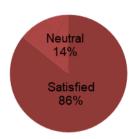


1.16 How satisfied were you with the period for patent invalidation examination in China?

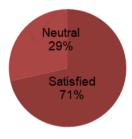




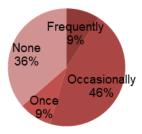
1.17 How satisfied were you with the burden of proof in patent invalidation system in China?



1.18 How satisfied were you with the form requirement of the evidence in patent invalidation system in China?

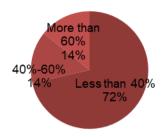


1.19 Did you have the experience of filing patent administrative lawsuit in China (over the past five years)?

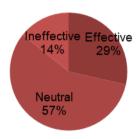




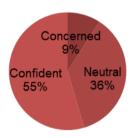
1.20 What is the win rate of the administrative case for patent invalidation?



1.21 How satisfied were you with the sufficiency and efficiency of judicial remedy in China?



1.22 To what extent are you worried about/ confident about the current status of patent invalidation system in China?



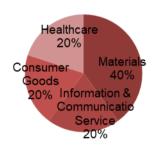
1.23 What are your main concerns about China's invalidation system?



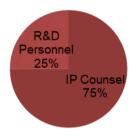


Company Questionnaire Results

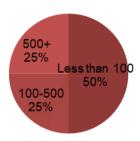
2.1 In which industry does your business operate?



2.2 What is your position?

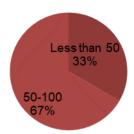


2.3 How many active invention patents are there in your company's patent portfolio?

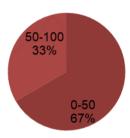




2.4 How many active utility model patents are there in your company's patent portfolio?



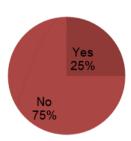
2.5 How many active design patents are there in your company's patent portfolio?



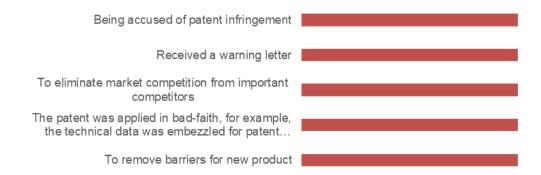
2.6 Have you ever heard/known about patent invalidation system?

100% Yes.

2.7 Did your business have the experience of filing for patent invalidation in China (in the last five years)?



2.8 What is the main motivation for filing patent invalidation?





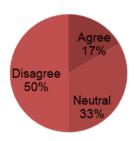
2.9 What is your main consideration in filing an invalidation request?



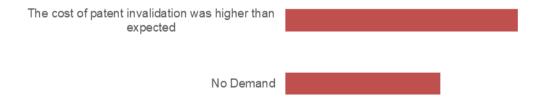
2.10 What is your invalidation rate?

100% 10%-60%.

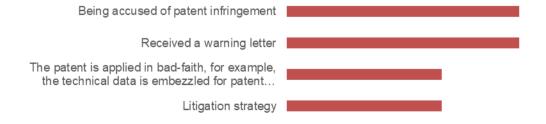
2.11 To what extent do you agree or disagree with the decisions?



2.12 What is the main reason(s) for not filing patent invalidation?



2.13 Under what circumstances would you file a request for invalidation?

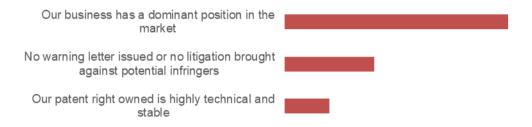




2.14 Did your business have the experience of being filed patent invalidation in China [in the last five years]?

100% No.

2.15 What is the main reason(s) for not being filed for patent invalidation?



2.16 Did you have the experience of filing patent administrative lawsuit in China [over the past five years]?

100% No.

2.17 To what extent are you concerned about/ confident about the current status of patent invalidation system in China?

100% Confident.

2.18 To what extent are you concerned about/ confident about the current status of patent invalidation system in China?



5.3 Interview Transcripts (Machine Translation)

5.3.1 Interview with Head of Patent from a Chinese High-tech Company in Al Industry

Interviewer(s)	China Based Patent Attorneys from Lusheng Law Firm / Rouse Network
Interviewee(s) Head of Patent	
	Chinese High-tech Company in Al Industry with business in Europe
Date of Interview	2021-04-07
Location of interview	Online Meeting



Rouse

You mentioned that there are some non-innovation-oriented applications. Do you think this problem can be solved through government legislation penalties or through invalid patents of stakeholders?

I think there is a contradiction here. If the value of a patent is very low, it should not be granted

Interviewee

as a patent right. The problem of invention patents may be relatively small, because invention patents must go through substantive examination and the passing rate of patents is low. For example, the problem of utility models is relatively obvious, and there are indeed many patents of low quality and low value. I personally think that with the current judicial policy or administrative inertia in China, it is a good choice to leave this problem to the government. In fact, I have this feeling in the practice of trademark applications. For example, China conducts pre-examinations for trademark similarities, while the European Trademark Office will not conduct such examinations. Even if Europe Trademark Office finds a relatively similar one, it will only be safeguarded by the prior right holders. On the one hand, the advantage of EUIPO is that it delegates the work of trademark value judgment to the market. If the prior right holder does not believe that the other party's trademark is conflated with his own trademark and will not constitute infringement, there is no need to interfere with administrative measures. On the other hand, the strength or energy of an individual may be limited. If a lot of burdens are placed on individual applicants, the legal burden will be heavier. I think there may be a deep-seated logical difference between an active government and a passive government between Chinese and Western governments.

Therefore, on this issue, if we follow the usual Chinese style, I think it is feasible for the government to come forward at least to conduct a prior review of utility models. A better solution should be based on patent law. For example, strengthen the preliminary examination of utility models, improve the search and examination mechanism for preliminary examination, and avoid the risk of a quantity of low-value patents before granting, otherwise the patents that have been granted will remain in an uncertain legal status to the public, and the burden leave to the public and individuals is too heavy. Another way is to specifically formulate laws to govern irregular applications.

Rouse

Thank you for your comment. In fact, we also mentioned the invalidation procedures of bad faith. Do you have any experience related to patent invalidation?

Interviewee

I have participated in invalidation litigation in my previous company, but I have not experienced it in my current company.

Rouse

In terms of invalidation, do you have any thoughts on the invalidation procedures and effectiveness of the entire patent administration and the professionalism and neutrality of judgments?

Interviewee

Generally speaking, I think the invalidation process is more professional. But my feeling is that it is difficult to grasp the invalidity or inspection standards, and there are still gaps between different inspection standards. E.g., during the invalidation process, the examiner requires common-sense evidence, which is very difficult to produce. In the process of patent application examination, examiners directly use common knowledge to comment on the inventive step of the patent application without providing any evidence.

I personally think that it may be more reasonable to deal with bad faith applications in the pregrant patent application review process. Because in the invalidation procedure, it is much more difficult for the public to produce evidence than for review. Based on this, I suggest that this kind of bad faith patent application should be curbed from the patent application review process.

Rouse

In a patent infringement litigation, it is assumed that the respondent initiates an invalidation procedure for the patent involved in the infringement litigation, because the Chinese courts will not directly judge the validity of the patent, and the judgment of the patent validity must come from the patent administrative agency. The decision of the patent administration



authority will finally take effect after being heard by the court. Will such a dual-track parallel system cause the public to be unable to judge the stability of patent rights for a long period of time, and will it be beneficial to rights holders' rights protection? What is your opinion on this?

Interviewee

The court's decision not to make a judgment on the validity of a patent is entirely dependent on its trial strength or the status of the trial. Of course, our National Intellectual Property Court is constantly recruiting technical investigators to enrich its patent review capabilities. From the perspective of rights holders' rights protection, for example, last year, the patent dispute between Apple and Shanghai Zhizhen Intelligent Robots which was started in 2012, and only is process on till 2020. It took 10 years to be resolved, and now civil infringement litigation has begun. The duration is indeed too long. If possible, the progress of patent litigation should be accelerated. The specifics depend on the configuration of the court. If the procedures involved need to be improved, there is still a lot of room for improvement, not just judicial policies, but also the balance between judicial and administrative agencies.

Rouse

In fact, everyone has been discussing this issue. Just this year, a policy was issued that patent validity and infringement can be judged at the same time, which is equivalent to increasing the law enforcement power of the patent administrative agency.

Interviewee

There are some companies, such as fund companies, whose current style is to lodge a complaint with the Market Supervision Bureau and go through administrative litigation instead of other judicial systems. We can see some news now, maybe this is still in an exploratory stage, which is a bit similar. It is more efficient to use administrative procedures to resolve patent infringement disputes, and I personally think that foreign patent holders will also like it.

Rouse

You mentioned a patent invalidation trial period of almost 10 years. Of course, it is only an individual case. Do you think the review period for general invalidation cases is okay?

Interviewee

Overall, the cycle period for a patent case is relatively long, either an infringement lawsuit or a patent invalidation. As for whether it can be accelerated, the courts need to make some innovations in institutional methods. For example, the current patent examination cycle in China adopts various systems to speed up the examination, including multiple channels such as pre-examination and priority examination, which greatly shortens the examination cycle of high-value patents. Courts can learn from innovations in the patent examination system, for example, whether priority examination can be applied to patent infringement judgments and patent invalidation administrative litigation.

5.3.2 Interview with Legal Counsel from a MNC consumer goods company with business in China and Europe

Interviewer(s)	China Based Patent Attorneys from Lusheng Law Firm / Rouse Network
Interviewee(s)	Legal Counsel based in Asia
	MNC consumer goods company with business in China and Europe
Date of Interview	2021-04-09
Location of interview	Online Meeting

Rouse Does your company have any experience in patent infringement litigation? And how about

the frequency?

Interviewee I have been working in this company for the fifth year. There was basically no patent litigation in the first three years, but there have been several patent litigations in the last two years. So,

there is a growing trend.

Rouse Do you think the patents involved in these patent infringement lawsuits contain elements of

bad faith applications? Is there any problem with the patentability itself?



Interviewee These patents do not seem to exclude the possibility of bad faith applications. These patents do not seem to be highly innovative. Taking the existing technology to apply for a patent itself is also a kind of abnormal application. If it is determined to be an abnormal application, and the patent lawsuit is equivalent to a malicious lawsuit.

Rouse

You are a patent right holder, are you interested in litigating patent infringement?

Interviewee

I think if it is related to product sales, it must be of interest. The cost of litigation can now be included in the compensation for the right of intrusion, but it may not be fully recovered. We had to make judgments before litigation. This has nothing to do with the type, whether it is a utility model or not, it is related to the basis of rights.

Rouse

Both utility model and design patents will require patent evaluation reports during the litigation process. Do you think such a system will help advance the entire litigation process? Or do you have any comments on the quality of the patent evaluation report itself?

Interviewee

The quantity of samples I see now are relatively small, and it is difficult to say how high or low its quality is. What I see now is that basically, as long as there is a patent evaluation report issued by the Patent Office, and the conclusion of the report supports the validity of the patent, the court will accept the patent infringement litigation. After the court has accepted the case, it will no longer examine the patent right evaluation report, and it will play more of a role as a condition for filing utility model infringement cases. After the case is filed, even if the accused infringing party initiates the invalidation procedure, the court is free to decide whether to suspend the infringement litigation.

Rouse

China has established many of intellectual property courts in recent years. How do you comment on the expertise of the intellectual property courts in handling administrative cases including patent invalidation and patent litigation?

Interviewee

I think the quality and professionalism are rising. Many courts lack of skilled professionals to hear patent cases. The setup of intellectual property courts is very meaningful, including the introduction of technical examiners.

5.3.3 Interview with Patent Counsel from a Chinese Tier 1 company in packaging industry

Interviewer	China Based Patent Attorney from Lusheng Law Firm / Rouse Network
Interviewee Patent Counsel	
	Chinese Tier 1 company in packaging industry
Date of Interview 2021-06-03	
Location of interview	Face to Face meeting, BJ

Rouse

I know that you do a risk assessment before the product goes on the market. Is there such a situation: in the risk assessment search, a patent that seems to be of low quality is found, but the scope of protection of this patent is also very large, and there is a potential risk of infringement on the listing of new products. How did you deal with it?

Interviewee

When we work with major customers, each new product will be required to provide an infringement risk assessment report. Therefore, each of our new products will be searched and evaluated for infringement before it goes on the market. In this process, high-risk patents will also be retrieved, and we will treat and deal with them differently. Generally, the stability of the patent is first judged. If the stability of the patent is very poor, we ignore the patent. Occasionally, we will also consider whether it is necessary to take patent invalidation to reduce legal risks.

Rouse

What types of patents at risk do you often find during the search process?

Interviewee

Generally, utility model and design patents are retrieved. If we find invention patents, we will attach great attention to them. Because the stability of invention patents is much better than utility models and appearance designs. If we find utility models and designs, we basically feel



that the risk of infringement is very low. On the one hand, the possibility of a patent being invalidated is greater; on the other hand, the actual risk of being sued is not high.

Rouse Have you gone through procedures for invalidation of invention or utility model patents?

Interviewee No. In this industry, the bosses of various companies know that there are also business

cooperation and intricate relationships, and they do not want to engage in legal confrontation.

Rouse The United States has a system that requires the disclosure of existing technology obligations

to right holders. What do you think of this system? Each right holder discloses the existing technology that you know. If the obligation is not fulfilled, it may be the reason for the

invalidation of the patent.

Interviewee In this case, suppose I know the existing technology, although the examiner may not be able to

retrieve it, but I need to disclose it to the examiner during the patent application process, right?

There may be psychological pressure on the right holders, which will play a certain role.

Rouse Do you have any suggestions for improving China's utility model system? Legislation,

authorization, review authorization, and invalidation of rights protection, malicious patent

applications and malicious litigation are all possible.

Interviewee I personally think that the patent rights protection system seems to be very complicated, and I

have never done it before. I feel that infringement and evidence collection will be troublesome.

The others seem to be fine.

5.3.4 Interview with Head of IP from a Sweden based MNC with business in China

Interviewer	Sweden based patent attorney from Rouse
Interviewee	Head of IP
	Sweden based MNC with business in Europe and China
Date of Interview	2021-08-13
Location of interview	Stockholm

Rouse

Currently China has only one patent right verification mechanism, i.e. the patent invalidation system. CNIPA is the official authority to examine patent invalidation cases. France and Germany have both opposition and nullity actions and Italy has nullity action against granted patents and courts will examine these types of cases. What's your opinions that patent invalidation cases in China are examined by the Patent Office but can be appealed before courts?

Interviewee

I think the Chinese system works well.

Rouse

In some European countries, such as Italy, validity of a patent can be examined in the corresponding patent infringement proceedings. In China, the validity of a patent can only be examined and determined by the patent administrative authority, usually CNIPA.

How necessary or important do you believe to authorize IP courts in China to examine and determine validity of a patent in the litigation proceeding, provided that the patent infringement involving the same patent is being examined at the same time?

Interviewee

In Sweden, the same court examines both infringement and validity. This is a good system, that ensures that the same scope of protection for the claims is applied for both infringement and validity. It appears to me that this is how it works in China as well, once the CNIPA decision has been appealed to the court.

In Germany, the bifurcated process sometimes leads to the scope of protection being construed as broad in order to find infringement, and then narrow in order for the patent not to be invalidated. This is not fair, and not something I would like to see in China.

Rouse

Have you heard about patent circular litigation, which refers to a situation that, after an invalidation decision was revoked by court in an administrative litigation proceeding against the decision made by the CNIPA, the CNIPA re-issued a decision on the invalidation in the



administrative proceeding. Appeal procedure before court is still available to challenge against the administrative decision made by the CNIPA. This forms a circle of patent litigation to attack the validity of the patent of question.

What do you think about the patent circular litigation as specified above?

Interviewee I have not heard of this. It appears to me to be very strange that the CNIPA can go against the

court decision

Rouse Have you heard about the IP tribunals of Supreme People's Court and the local IP courts in China, specifically the specialized courts in Beijing, Shanghai, Guangzhou

and Hainan for IP cases? What's your expectations for the courts about their

professions?

Interviewee I have attended the Supreme People's Court in Beijing, and it sometimes appeared that the

decisions were taken without thorough examination from a technical standpoint. The lower

courts seemed to be more thorough and technically knowledgeable.

Rouse China has taken a series of measures to improve efficiency and quality in ruling on patent invalidation and patent infringement disputes. Joint oral hearings have been promoted which allows patent infringement dispute and patent invalidation can be examined and ruled in an

allows patent infringement dispute and patent invalidation can be examined and ruled in an efficient way. Local IP offices and IP courts may examine one case on the same day from validity of a patent and establishment of patent infringement relevant to one patent.

Have you heard about it and what's your comment? Do you think the joint oral hearing solve

the patent circular litigation issue as mentioned above?

Interviewee I have not heard about it, but it seems to be a good idea.

Rouse In some EU countries including Germany, France and Italy, misappropriation of a patent right can be one ground for opposing / invalidating a patent, such as regulated in Italy patent law

"if the owner of the patent did not have the right to obtain it, and the qualified person did not make use of the right granted to him by Article 118". China Patent Law does not include this reason as one ground for invalidation against a patent and patent ownership dispute can only

be initiated in a civil litigation proceeding before courts.

How necessary do you believe it is to list this as a ground for invalidation against a patent in

China?

Interviewee It may not be necessary for it to be a ground for invalidation, but it would be a good idea to have

an administrative procedure for "better right" to the patent.

5.3.5 Interview with IP Counsel from a Sweden based MNC with business in China

Interviewer	Sweden based patent attorney from Rouse
Interviewee IP Counsel	
	Sweden based MNC with business in China
Date of Interview	2021-08-13
Location of interview	Stockholm

Rouse E

Expedition is possible for patent invalidation for patents involved in a patent infringement litigation. Duration for examination of invalidation cases in this situation can be shortened to be within five months.

What's your overall feeling about the expedition of patent invalidation in China? Is it possible expediate patent opposition / nullity actions in your country and if yes, in which situation?

Interviewee

It is very good that examination of invalidation cases can be expedited. In Germany, which like China has a bifurcated system, the infringement action is often judged long before the invalidation action, which leads to problems when a company is judged to infringe a patent they are certain is invalid.



Rouse Because of Covid-19 situation in 2020, a majority of invalidation cases are examined on-line

via video meeting.

What do you think about remote examination on a case? Any changes in your countries about

the patent opposition / nullity proceedings?

Interviewee In Germany, both court proceedings and opposition proceedings have been examined via video

meetings. This is OK in extreme circumstances like Covid-19, but regular hearings are much

better.

Rouse It is stipulated in the recently amended Guidelines for Patent Examination that, granted claims

can be amended during invalidation procedure by adding one or more technical features from other claims. It is believed that this new manner on claim amendment in post-grant procedure can result in uncertainty to the public about the scope of protection of a granted patent.

What do you think about it? Can a patent holder make such amendment to its patent in EU /

FR / DE / IT? If so, is there any limitations, and how?

Interviewee In most European countries, the patent holder can add any feature from the specification (i.e.

not just from the other claims) to the claims during an invalidation procedure. This is because Article 105a of the EPC specifies that a patent holder may request limitation of a granted European patent at any point after grant, with the same freedom as during examination (i.e.

using features from the specification).
The same rules should apply also in China.

Rouse In China, a patent holder can partially invalidate their own patents.

What do you think about it? Will patent holders oppose their own patents in your

country?

Interviewee This is not necessary, because Article 105a of the EPC specifies that a patent holder may request

limitation of a granted European patent at any point after grant, with the same freedom as

during examination.

Rouse What do you think of the professional level of the examination on patent invalidation cases

in China?

Interviewee I am impressed, they are very good.

Rouse It is said that the duration of China invalidation is within 6 to 8 months. How do you feel about

this?

Interviewee This is correct according to my experience, and the duration is reasonable.

Rouse Your opinions about the invalidation system in China in general, including burden of proof,

evidence requirement, invalidation rate, satisfied with the examination?

Interviewee I did not feel that the results are predictable, there appears to sometimes be other reasons than

judicial reasons for judgements. It appears that the use of unsubstantiated common general

knowledge can be abused.

5.3.6 Interview with Stakeholder from an EU based MNC with business in China

Interviewer	Sweden based patent attorney from Rouse
Interviewee IP Counsel	
	EU based MNC with business in China
Date of Interview	2021-08-13
Location of interview	Stockholm

Rouse

In some European countries, such as Italy, validity of a patent can be examined in the corresponding patent infringement proceedings. In China, the validity of a patent can only be examined and determined by the patent administrative authority, usually CNIPA.



How necessary or important do you believe to authorize IP courts in China to examine and determine validity of a patent in the litigation proceeding, provided that the patent infringement involving the same patent is being examined at the same time?

Interviewee

If the same court examines both infringement and validity, this ensures that the same scope of protection for the claims is applied for both infringement and validity. This is important.

5.3.7 Interview with Sweden Practitioner

Interviewer China Based Patent Attorneys from Lusheng Law Firm / Rouse Network	
Interviewee Patent Attorney, Sweden IP Firm	
Date of Interview	2021-08-12
Location of interview	E-mail

Rouse Expedition is possible for patent invalidation for patents involved in a patent infringement

litigation. Duration for examination of invalidation cases in this situation can be shortened to

be within five months.

What's your overall feeling about the expedition of patent invalidation in China? Is it possible

expediate patent opposition / nullity actions in your country and if yes, in which situation?

Interviewee Five months is fast. In SE I would say at least one year.

Rouse Because of Covid-19 situation in 2020, a majority of invalidation cases are examined on-line

via video meeting.

What do you think about remote examination on a case? Any changes in your countries about

the patent opposition / nullity proceedings?

Interviewee The EPO offers video meetings. It makes it more difficult to comply with unexpected attacks, or

comments.

Rouse It is stipulated in the recently amended Guidelines for Patent Examination that, granted claims

can be amended during invalidation procedure by adding one or more technical features from other claims. It is believed that this new manner on claim amendment in post-grant procedure can result in uncertainty to the public about the scope of protection of a granted patent.

What do you think about it? Can a patent holder make such amendment to its patent in EU /

FR / DE / IT? If so, is there any limitations, and how?

Interviewee If the patent only is to be limited, the problem for third parties should be little.

Rouse In China, a patent holder can partially invalidate their own patents.

What do you think about it? Will patent holders oppose their own patents in your

country?

Interviewee Partially?? That's a kind of odd.

Rouse What do you think of the professional level of the examination on patent invalidation cases

in China?

Interviewee Sorry, I don't know.

Rouse It is said that the duration of China invalidation is within 6 to 8 months. How do you feel about

this?

Interviewee Fast.

Rouse Your opinions about the invalidation system in China in general, including burden of proof,

evidence requirement, invalidation rate, satisfied with the examination?

Interviewee Not enough experience to have an opinion.

5.3.8 Interview with Anonymous France IP Advisor

Interviewer	China Based Patent Attorney from Lusheng Law Firm / Rouse Network
Interviewee	Anonymous France IP Advisor



	French IP Firms and French Companies
Date of Interview	2021-08-24
Location of interview	E-mail

This interview was conducted via French IP attaché.

Rouse

Currently China has only one patent right verification mechanism, i.e., the patent invalidation system. CNIPA is the official authority to examine patent invalidation cases. France and Germany have both opposition and nullity actions and Italy has nullity action against granted patents and courts will examine these types of cases.

What's your opinions that patent invalidation cases in China are examined by the Patent Office but can be appealed before courts?

Interviewee

It seems that the implementation of a review action with the IP office to review the invalidation decisions made by that same office could make the invalidation review procedures easier. France is planning to work on that in the future.

In all cases, it is important that those procedures allow both parties to be heard.

Rouse

Have you heard about the IP tribunals of Supreme People's Court and the local IP courts in China, specifically the specialized courts in Beijing, Shanghai, Guangzhou and Hainan for IP cases? What's your expectations for the courts about their professions?

Interviewee

There are high expectations regarding the level of expertise in IP of those judges. However, it remains sometimes unclear what cases can be received by those tribunals and courts (sometimes first instance, sometimes appeal). Anyways the specialisation of judges in IP is an important step towards a better IP environment.

Rouse

China has taken a series of measures to improve efficiency and quality in ruling on patent invalidation and patent infringement disputes. Joint oral hearings have been promoted which allows patent infringement dispute and patent invalidation can be examined and ruled in an efficient way. Local IP offices and IP courts may examine one case on the same day from validity of a patent and establishment of patent infringement relevant to one patent.

Have you heard about it and what's your comment? Do you think the joint oral hearing solve the patent circular litigation issue as mentioned above?

Interviewee

It seems relevant that patent infringement disputes and patent invalidation are linked in a way. One thing that could strengthen the judicial system in China would be to give more influence to more written proceedings with exchange of evidence between the parties, and less to hearings.

Rouse

In some EU countries including German, France and Italy, misappropriation of a patent right can be one ground for opposing / invalidating a patent, such as regulated in Italy patent law "if the owner of the patent did not have the right to obtain it, and the qualified person did not make use of the right granted to him by Article118". China Patent Law does not include this reason as one ground for invalidation against a patent and only patent ownership dispute can be initiated in a civil litigation proceeding before courts.

How necessary do you believe to list it as a ground for invalidation against a patent in China?

Interviewee

As mentioned above, the French law provides that: "Where an application for the grant of an industrial property title has been made either for an invention unlawfully taken from an inventor or his successors in title, or in violation of a legal contractual obligation, the injured party may claim ownership of the application or of the title granted. Actions claiming ownership shall be barred after three years from publication of the grant of the industrial property title. However, if the bad faith of the owner of the title at the time the title was granted or acquired can be proved, the time limit shall be three years as from the expiry of the title."

In France, this is a judicial action.

5.3.9 Interview with Italian Legal Counsel



Interviewer	China Based Patent Attorney from Lusheng Law Firm / Rouse Network
Interviewee	Italian Legal Counsel
	Italy based MNC with business in China
Date of Interview	2021-08-24
Location of interview	E-mail

This interview was conducted via Italian IP attaché.

Rouse

Currently China has only one patent right verification mechanism, i.e., the patent invalidation system. CNIPA is the official authority to examine patent invalidation cases. France and Germany have both opposition and nullity actions and Italy has nullity action against granted patents and courts will examine these types of cases.

What's your opinions that patent invalidation cases in China are examined by the Patent Office but can be appealed before courts?

Interviewee

The patent invalidation system in China is applicable to Chinese situation. To lodge a lawsuit in China, the IP right holders need spend lots of time and money in preparing the POA and other official documents (notarization and legalization). The CNIPA does not require such formalities in patent invalidation cases.

Rouse

In some European countries, such as Italy, validity of a patent can be examined in the corresponding patent infringement proceeding. In China, the validity of a patent can only be examined and determined by the patent administrative authority, usually CNIPA.

How necessary or important do you believe to authorize IP courts in China to examine and determine validity of a patent in the litigation proceeding, provided that the patent infringement involving the same patent is being examined at the same time?

Interviewee

It is not necessary to authorize IP courts to examine and determine validity of a patent in the litigation proceeding, provided that the patent infringement involving the same patent is being examined at the same time. Such examination would prolong the procedure of infringement lawsuit

Rouse

Have you heard about the IP tribunals of Supreme People's Court and the local IP courts in China, specifically the specialized courts in Beijing, Shanghai, Guangzhou and Hainan for IP cases? What's your expectations for the courts about their professions?

Interviewee

Yes. Such IP courts are more professional than other courts. It would be advisable for these courts to invite more technical investigator to participate in complicated cases.

Rouse

China has taken a series of measures to improve efficiency and quality in ruling on patent invalidation and patent infringement disputes. Joint oral hearings have been promoted which allows patent infringement dispute and patent invalidation can be examined and ruled in an efficient way. Local IP offices and IP courts may examine one case on the same day from validity of a patent and establishment of patent infringement relevant to one patent.

Have you heard about it and what's your comment? Do you think the joint oral hearing solve the patent circular litigation issue as mentioned above?

Interviewee

The joint oral hearing would certainly result more efficient, but we will need more time to assess whether it could solve the patent circular litigation issue.

Rouse

In some EU countries including German, France and Italy, misappropriation of a patent right can be one ground for opposing / invalidating a patent, such as regulated in Italy patent law "if the owner of the patent did not have the right to obtain it, and the qualified person did not make use of the right granted to him by Article 118". China Patent Law does not include this reason as one ground for invalidation against a patent and only patent ownership dispute can be initiated in a civil litigation proceeding before courts.

How necessary do you believe to list it as a ground for invalidation against a patent in China?



Interviewee According to Chinese practice and laws, such issues would be solved by other methods. It is not

a necessary ground.

Rouse Which of the following are your main concerns about China patent invalidation system?

Interviewee Patent invalidation examination period; Professional degree of a non-IP court hearing patent

invalidation cases; Grounds for patent invalidation; Difficulty in obtaining evidence for patent

invalidation.

Rouse Do you have any comments or suggestions in general?

Interviewee China has revised its Patent Law. We look forward to revision of other laws and regulations

related to the revised Patent Law. We also look forward to more professional IP courts and

judges specialized in IP field.

5.3.10 Interview with Italian Practitioner

Interviewer	China Based Patent Attorney from Lusheng Law Firm / Rouse Network
Interviewee	Italian Practitioner, Italian IP Firms
Date of Interview	2021-08-24
Location of interview	E-mail

This interview was conducted via Italian IP attaché.

Rouse Currently China has only one patent right verification mechanism, i.e., the patent invalidation

system. CNIPA is the official authority to examine patent invalidation cases. France and Germany have both opposition and nullity actions and Italy has nullity action against granted

patents and courts will examine these types of cases.

What's your opinions that patent invalidation cases in China are examined by the Patent

Office but can be appealed before courts?

Interviewee ---No reply---

Rouse In some European countries, such as Italy, validity of a patent can be examined in the

corresponding patent infringement proceeding. In China, the validity of a patent can only be

examined and determined by the patent administrative authority, usually CNIPA.

How necessary or important do you believe to authorize IP courts in China to examine and determine validity of a patent in the litigation proceeding, provided that the patent

infringement involving the same patent is being examined at the same time?

Interviewee Court examination of validity of patent is subject to the ability of the court to rule on an

extremely technical matter. Basically, we are not against to such a system provided that

technical judges or judges supported by technical expert in patent shall be involved.

Rouse Have you heard about the IP tribunals of Supreme People's Court and the local IP courts in

China, specifically the specialized courts in Beijing, Shanghai, Guangzhou and Hainan for IP

cases? What's your expectations for the courts about their professions?

Interviewee ---No reply---

Rouse China has taken a series of measures to improve efficiency and quality in ruling on patent

invalidation and patent infringement disputes. Joint oral hearings have been promoted which allows patent infringement dispute and patent invalidation can be examined and ruled in an efficient way. Local IP offices and IP courts may examine one case on the same day from

validity of a patent and establishment of patent infringement relevant to one patent.

Have you heard about it and what's your comment? Do you think the joint oral hearing solve

the patent circular litigation issue as mentioned above?

Interviewee We do not have specific observations about the above points.

Rouse In some EU countries including German, France and Italy, misappropriation of a patent right

can be one ground for opposing / invalidating a patent, such as regulated in Italy patent law



"if the owner of the patent did not have the right to obtain it, and the qualified person did not make use of the right granted to him by Article118". China Patent Law does not include this reason as one ground for invalidation against a patent and only patent ownership dispute can be initiated in a civil litigation proceeding before courts.

How necessary do you believe to list it as a ground for invalidation against a patent in China?

Interviewee Basically we are in favour of having common provisions relating to the invalidity of patent, and

thus introducing a rule similar to the above Art 61 EPC could be a good idea.

Rouse Which of the following are your main concerns about China patent invalidation system?

Interviewee ---No reply---

Rouse Do you have any comments or suggestions in general?

Interviewee ---No reply---

5.3.11 Interview with Italian Practitioner

Interviewer	China Based Patent Attorney from Lusheng Law Firm / Rouse Network
Interviewee	Italian Practitioner, Italian IP Firms
Date of Interview	2021-08-30
Location of interview	E-mail

This interview was conducted via Italian IP attaché.

Rouse

Currently China has only one patent right verification mechanism, i.e., the patent invalidation system. CNIPA is the official authority to examine patent invalidation cases. France and Germany have both opposition and nullity actions and Italy has nullity action against granted patents and courts will examine these types of cases.

What's your opinions that patent invalidation cases in China are examined by the Patent Office but can be appealed before courts?

Interviewee

Provided the invalidation decision as issued by the administrative authority (CNIPA) may be challenged before the competent IPR Court in accordance with art. 46 of the Patent Law, and further provided that the assessment of an invalidation is more technical than juridical in nature, we believe the Chinese system (which has many similarities with the German system) is reasonable and sufficiently protective of the legitimate rights and interest of Patent holders/applicants.

Rouse

In some European countries, such as Italy, validity of a patent can be examined in the corresponding patent infringement proceeding. In China, the validity of a patent can only be examined and determined by the patent administrative authority, usually CNIPA.

How necessary or important do you believe to authorize IP courts in China to examine and determine validity of a patent in the litigation proceeding, provided that the patent infringement involving the same patent is being examined at the same time?

Interviewee

Provided that the assessment of the validity of a patent may still be performed by an IPR court by means of reviewing a (prior) decision of the CNIPA, we would agree that allowing IP Courts to examinate the question of validity of a Patent during a litigation for infringement would make the assessment faster and optimize the timing of a decision. Therefore, this innovation may be seen in terms of efficiency improvement but not as a necessary amendment to the current system.

Rouse

Have you heard about the IP tribunals of Supreme People's Court and the local IP courts in China, specifically the specialized courts in Beijing, Shanghai, Guangzhou and Hainan for IP cases? What's your expectations for the courts about their professions?

Interviewee

We believe the establishment of specialized IP tribunals is greatly beneficial for the protection of IPR in China in account of the particular technical expertise needed for the assessment of the



cases related to IP, with particular respect to the cases of infringement(s) or validity of the same. Many presiding judges within the PR Court have previous experience in IP cases and several has also an academic background in technology. We believe that specialized IP Court may increase the quality of judgments with particular respect to tough technological issues. Ever since its founding, the IP Courts have accepted a large number of technical cases concerning patents, new plant varieties, integrated circuit layout designs, technical secrets, computer software and other technology-related cases. The Beijing IP Court has also exclusive jurisdiction over administrative cases in the whole country filed by parties that are not satisfied with the administrative decisions made by Patent Re-examination Board (PRB) of National Intellectual Property Administration (CNIPA) regarding patent prosecution and invalidation, and administrative decisions made by CNIPA regarding compulsory patent license, compulsory license fees and compulsory license remuneration.

Rouse

China has taken a series of measures to improve efficiency and quality in ruling on patent invalidation and patent infringement disputes. Joint oral hearings have been promoted which allows patent infringement dispute and patent invalidation can be examined and ruled in an efficient way. Local IP offices and IP courts may examine one case on the same day from validity of a patent and establishment of patent infringement relevant to one patent.

Have you heard about it and what's your comment? Do you think the joint oral hearing solve the patent circular litigation issue as mentioned above?

Interviewee

We believe that this is representative of China's recent efforts to reduce discrepancies resulting from China's bifurcated infringement and invalidation proceedings. Similar to the German system, infringement and invalidation are addressed in two separate proceedings, i.e., Chinese courts rule on infringement and the PRB under the national patent office reviews invalidation contentions. Consequently, the court hearing the infringement case cannot review and make decisions on the validity of the asserted patent in its proceedings. Therefore, this coordination is in our view greatly beneficial for addressing the aforesaid issue.

Rouse

In some EU countries including German, France and Italy, misappropriation of a patent right can be one ground for opposing / invalidating a patent, such as regulated in Italy patent law "if the owner of the patent did not have the right to obtain it, and the qualified person did not make use of the right granted to him by Article118". China Patent Law does not include this reason as one ground for invalidation against a patent and only patent ownership dispute can be initiated in a civil litigation proceeding before courts.

Interviewee

We agree on the opportunity to improve the PRC Patent Law by expressly addressing the issue of misappropriation/filing by a subject different from the inventor and without his consent/authorization, which, as above outlined, falls without the definition of "bad faith" filing pursuant to the art. 20 of the Patent Law.

How necessary do you believe to list it as a ground for invalidation against a patent in China?

Rouse

Do you have any comments or suggestions in general?

Interviewee

We would suggest excluding the Chinese Patent Applications or Patent Assignments from the Technology Exports Regulations in the PRC, which requires permission from the authorities for export, which creates a huge burden for parties assigning Chinese patents.

5.3.12 Interview with Italian Practitioner

Interviewer	China based patent attorney from Lusheng Law Firm / Rouse network
Interviewee	Italian Practitioner, Italian IP Firms
Date of Interview	2021-08-30
Location of interview	E-mail

This interview was conducted via Italian IP attaché.



Rouse Currently China has only one patent right verification mechanism, i.e., the patent invalidation

system. CNIPA is the official authority to examine patent invalidation cases. France and Germany have both opposition and nullity actions and Italy has nullity action against granted

patents and courts will examine these types of cases.

What's your opinions that patent invalidation cases in China are examined by the Patent

Office but can be appealed before courts?

Interviewee We expressed it has adapted to this system and has come to have an approach of "accepting it"

as it is, being the local system.

Rouse Have you heard about the IP tribunals of Supreme People's Court and the local IP courts in China, specifically the specialized courts in Beijing, Shanghai, Guangzhou and Hainan for IP

cases? What's your expectations for the courts about their professions?

Interviewee We expressed a generally positive opinion on this development.

Rouse In some EU countries including German, France and Italy, misappropriation of a patent right can be one ground for opposing / invalidating a patent, such as regulated in Italy patent law "if the owner of the patent did not have the right to obtain it, and the qualified person did not make use of the right granted to him by Article118". China Patent Law does not include this reason as one ground for invalidation against a patent and only patent ownership dispute can

be initiated in a civil litigation proceeding before courts.

How necessary do you believe to list it as a ground for invalidation against a patent in China?

Interviewee This could be interesting to have as a ground for invalidation.

Rouse Do you have any comments or suggestions in general?

Interviewee The most serious issues are:

 difficulty in obtaining evidence for patent invalidation, especially in cases where opposition is filed based on use (i.e., the opponent needs to prove that it was using the invention before the filing in China). This issue is connected to the generally formalist approach of Chinese courts; and

abusing the patent invalidation procedure for malicious infringement litigation.

5.4 Retrial case of PRB vs Rugao City AiJiKe Texile Mechaninery Limited Company

Case summary:

AiJiKe Company filed an invalidation request before PRB of SIPO on April 4, 2001, against a utility model patent No.98248629.4 owned by WANG Yushan; after examination and oral hearing, PRB made the Invalidation Decision No. 4988 on March 26, 2003, in which claims 1-9 of the utility model patent were announced invalidated while claim 10 was maintained; AiJiKe Company was not satisfied with the Decision, and filed a litigation case before the Beijing First Intermediate People's Court within the specified time limit; the Beijing First Intermediate People's Court made the Administrative Verdict (2003) YiZhongXingChuZi No. 522 on November 28, 2003, in which the Invalidation Decision No. 4988 was maintained; AiJiKe Company was not satisfied with the Verdict, and filed a litigation case before the Beijing High People's Court within the specified time limit; the Beijing High People's Court made the Administrative Verdict (2004) GaoXingZhongZi No. 95 on September 29, 2004, in which the Administrative Verdict (2003) YiZhongXingChuZi No. 522 was reversed, the Invalidation Decision No. 4988 was reversed, and the utility model patent No.98248629.4 was invalidated; the PRB of SIPO was not satisfied with the Verdict, and petitioned for retrial before the Supreme People's Court; the Supreme People's Court made the Administrative Verdict (2007) XingTiZi No. 3, in which the Administrative Verdict (2004) GaoXingZhongZi No. 95 was reversed, and the case was remanded to the Beijing High People's Court for a new trial.

(Extraction) Administrative Verdict (2007) XingTiZi No. 3:

In the Administrative Verdict (2007) XingTiZi No. 3, the Supreme Court made the following specific statement on Beijing High Court (and other courts in other patent invalidation litigation cases)'s action of directly invalidating a patent right: according to the provisions of our country's administrative procedural law, the court cannot directly alter the decision made by PRB even if the decision is wrong. The court can only rule to revoke the decision or to require PRB to remake a decision while revoking the decision. The direct pronouncement of judgement on the verification of the target patent in the texts of a verdict goes beyond the provisions on the judgement manners in the administrative procedural law and its related judicial interpretations and lacks sufficient legal ground. Under the framework of current administrative procedural law, the people's courts should comply with the principle of legality review when hearing the patent invalidation cases, to judge on the issues of whether the target patent complies with the substantive provisions on granting a patent right of Patent Law; but for the issue of announcing the validity of a patent right, the courts should comply with the judgement manners as stipulated by the current laws.

5.5 (Extraction) Supreme People's Court of China Civil Verdict, (2019), ZuiGaoFaZhiMinZhong No. 369

Supreme People's Court of China Civil Verdict, (2019), ZuiGaoFaZhiMinZhong No. 369, the Supreme Court made the following specific statement on the case where an amended claim defines a non-existing embodiment in the initial patent documents:

In this case, because the appellee LangJin company further limited the claim(s) of the target patent involved in the invalidation procedure, the currently valid claim 1 is formed based on the previous claim 1 by adding the technical feature "the driving motor is a closed-loop stepping motor" of original claim 7 and all the additional technical features of original claim 9. The amended claim 1 does not exist in the initial documents of the target patent. The appellant, NanBang company, held that in the invalidation procedure of the target patent, LangJin company voluntarily gave up the claims (original claims 1, 2 and 7) on the basis of which he claims in the civil infringement case, and this was accepted by CNIPA. LangJin company shall not include them in the scope of patent protection in the infringement case. At the same time, the amount of compensation determined in the original judgment of this case is too high.

In this regard, the court holds that, the source of the above-mentioned views of the parties lies in the fact that CNIPA has adjusted the manner of amendments during the patent confirmation procedure and adjusted the specific manner of amendments from "deletion of claims, combination and deletion of technical solutions" to "deletion of claims, deletion of the technical solution, further limitation on the claims and correction of obvious errors ". Because current patent confirmation procedure allows the manner of amendments of "further limitation on claims", there will be a situation that the amended claims confirmed by the confirmation procedure do not exist in the initial patent documents of the target patent. As a comparison, the amened claim(s) according to the previous manner of amendments in the patent confirmation procedure is surely recited in the initial patent documents of the target patent. From the date of authorization of the target patent to the date when CNIPA adjusted the manner of amendments in the confirmation procedure, the public was reasonably expecting the protection scope of the target patent according to the previous manner of amendment and the original claims of the target patent, such that he would not infringe the patent right of the target patent.

Regarding the sued infringement of the party involved in the case, the amended claim 1 could never be obtained if the patentee amended the claims of the target patent according to the previous manner of amendments. Therefore, the sued infringement falling into the protection scope of the original claim 1 will not fall into the protection scope of the amended claim 1 when the original claim 1 was abandoned or

invalidated. Then an unfairness to the public will appear in a consequence infringement procedure if the patentee amends his claims in a patent right confirmation procedure.

The ultimate goal of patent law is the public interest. No matter from the principle of "patent disclosure for protection" in the patent system or from the principle of "balance of interests between the patentee and the public", the patentee shall fully disclose the patent information, and the public shall fully trust the information disclosed by the patentee. Through the publicity and public trust of patent information, we can achieve the balance of interests between the patentee and the public, to achieve the effect from publicity to public trust. However, due to the inherent difficulty of drafting patent documents, the limitation of expression level and cognitive ability of the patent applicant or his agent, there may be difficulties in language expression and formal specification or deviation in understanding the technology. With the improvement of the understanding of the prior art and the invention creation, especially in the infringement dispute or right confirmation procedure, the applicant often needs to amend the claims and description according to the new understanding of the invention creation and the prior art. Because of this, it is inevitable and necessary to add the manner of amendments of "further limitation on claims" during the patent confirmation procedure.

The so-called manner of amendments of "further limitation on a claim" means that one or more technical features recited in other claims can be added to the claim, which can be a technical feature depending to a same independent claim or to a different independent claim. This narrows the protection scope of the patent. Compared with the situation before the adjustment, it is to expand the manner of amendments from "combining the claims" to allowing the addition of specific technical features in the claim(s). Originally, the amendment unit was a claim, but now it is specifically a technical feature. In this way, the patentee may apply for a patent for an immature technical solution to pre-empt an earlier application date, and then add the technical solution that has not been completed or found on the application date to the claims in the amendments after authorization, which will also make the applicant lack the initiative of amendments in the substantive examination and Re-examination procedures. Furthermore, the patentee's motivation to disclose the technical solution in the patent documents is obviously insufficient, and it is very likely not to be fully disclosed. Even if the disclosure of the information is of great significance to the public interest. It is extremely unfriendly for the public to clearly understand the scope of protection of the patent right, and it is also unfriendly for a potential inventor to obtain information and use it for innovation. The manner of amendment of "further limitation on a claim", to a certain extent, sacrifices the stability of patent information disclosure in order to ensure its effectiveness, and the previous credibility of patent information disclosure is impaired to a certain extent, which needs to be made up.

After all, the patentee should disclose information to promote innovation. Therefore, in view of the situation in this case, it is necessary to reduce or eliminate the derogation of the manner of amendments of "further limitation on a claim" on the value of the patent prior application system and on the previous credibility of patent information disclosure. The system of pre-emptive right and the system of patent temporary protection period are ways to make up for the loss of credibility in the past. However, the public can produce the products covered by the amended claims of the target patent, though the public has to pay his own effort for this, it is inevitable that he has obtained relevant technical information from the initial documents of the target patent disclosed by the patentee. This is different from the prior inventors in the pre-emption system, but it is also the same as the technical solution for others to implement the disclosed but not authorized invention during the period of temporary protection. Therefore, for a target patent whose patentee has amended the initial claims by way of "further limitation on a claim" in a patent right confirmation procedure, and the technical solution defined by the amended claim does not fall into any of the protection scopes of the initial dependent claims but still falls into the protection scope of the initial independent claim, and CNIPA has maintained the validity of the patent right based on the amended claims, the act of implementing the technical solution of the amended claim without permission also constitutes an infringement of the patent right of the target patent, and the infringer shall bear the liability for compensation. However, based on the consideration of the balance between the protection of patent right and the public trust interest, the infringer shall be liable for compensation, but the amount of compensation may be reduced as appropriate for the infringement occurring before the date of the above administrative decision to maintain the validity of the patent right.

5.6 Allowed amendments to claims in Invalidation Decision No. 41362 (2019)

In the invalidation procedure of Chinese utility model patent No. 201620180916.4, the patentee amended claim 1 by incorporating part of the additional technical feature from claim 7 and all the additional technical feature of claim 9. The invalidation petitioner did not object to the amendments, the Panel carried out the examination based on the amended claims and made the invalidation decision announcing partial invalidation of the patent, that is, maintain the patent right on the basis of the amended claims.

The claims 1, 7 and 9 before the amendments were as follows:

- 1. An automatic rubber band machine, comprising a feeding device, a pulling device, a turnover manipulator device, a feeding guide rail device and a sewing device, characterized in that ... the fixed frame is provided with a driving motor for driving the first clamp to rotate around the first axis and a reversing cylinder for driving the second clamp to rotate around the second axis, the carrier can move horizontally along a direction of the fixed frame towards the sewing device; ...; after clamping the two ends of the cut rubber band, the first clamp and the second clamp rotate around the first axis and the second axis respectively the two ends of the rubber band to be fixed on the carrier, and the feeding guide rail device drives the rubber band to move to the lower end of the needle head of the sewing device for sewing.
- 7. The automatic rubber band machine according to claim 1, characterized in that the first clamp and the second clamp both include an upper clamp body and a lower clamp body, the first clamp and the second clamp are symmetrically arranged, the lower clamp body is provided with a clamping cylinder to drive the upper clamp body to move up and down, the driving motor is a closed-loop stepping motor, and the driving motor has a first driving shaft, the first driving shaft is connected with the first clamp through a first connecting arm; the reversing cylinder is provided with a second driving shaft which is connected with the second clamp through a second connecting arm.
- 9. The automatic rubber band machine according to claim 8, characterized in that the rear end of the carrier is connected with a horizontal guide rail, and the horizontal guide rail is provided with a propulsion cylinder to push the carrier forward and backward; the upper end of the guide rail is fixedly connected with an ejection cylinder, the front end of the ejection cylinder is provided with a top band baffle, the upper end surface of the carrier is provided with a top band gap, and the top band baffle can move along the gap direction of the top band gap to adjust the distance.

After the amendments the claims 1, 7 and 9 read:

1. An automatic rubber band machine, comprising a feeding device, a pulling device, a turnover manipulator device, a feeding guide rail device and a sewing device, characterized in that ... the fixed frame is provided with a driving motor for driving the first clamp to rotate around the first axis and a reversing cylinder for driving the second clamp to rotate around the second axis, the driving motor is a closed-loop stepping motor, the carrier can move horizontally along a direction of the fixed frame towards the sewing device; the rear end of the carrier is connected with a horizontal guide rail, and the horizontal guide rail is provided with a propulsion cylinder to push the carrier forward and backward; the upper end of the guide rail is fixedly connected with an ejection cylinder, the front end of the ejection cylinder is provided with a top band baffle, the upper end surface of the carrier is provided with a top band gap, and the top band baffle can move along the gap direction

of the top band gap to adjust the distance; ...; after clamping the two ends of the cut rubber band, the first clamp and the second clamp rotate around the first axis and the second axis respectively the two ends of the rubber band to be fixed on the carrier, and the feeding guide rail device drives the rubber band to move to the lower end of the needle head of the sewing device for sewing.

7. The automatic rubber band machine according to claim 1, characterized in that the first clamp and the second clamp both include an upper clamp body and a lower clamp body, the first clamp and the second clamp are symmetrically arranged, the lower clamp body is provided with a clamping cylinder to drive the upper clamp body to move up and down, the driving motor is a closed loop stepping motor, and the driving motor has a first driving shaft, the first driving shaft is connected with the first clamp through a first connecting arm; the reversing cylinder is provided with a second driving shaft which is connected with the second clamp through a second connecting arm.

9. The automatic rubber band machine according to claim 8, characterized in that the rear end of the carrier is connected with a horizontal guide rail, and the horizontal guide rail is provided with a propulsion cylinder to push the carrier forward and backward; the upper end of the guide rail is fixedly connected with an ejection cylinder, the front end of the ejection cylinder is provided with a top band baffle, the upper end surface of the carrier is provided with a top band gap, and the top band baffle can move along the gap direction of the top band gap to adjust the distance.

The amended claims 1 and 7 have defined two new protection scopes of the automatic rubber band machine over the initial ones of the target patent and were considered as acceptable by the Re-examination and Invalidation Department according to the new manner of amendments during invalidation.

5.7 Disallowed Amendments to Claims in Invalidation Decision No. 46741 (2020)

Patent No.: ZL01819676.4

Title of invention: A Wireless Communication System

Decision: Invalidation as declared

Key points:

The technical solution relates to the operations of the base station and the mobile station (MS) in a wireless communication system. According to the manner of amendments of "further limitation on a claim" stipulated in Section 4.6.2 of Chapter 4 of Part IV of the Guidelines for Patent Examination (2020), the patentee amended the claim with a subject of a base station during the invalidation procedure. Specifically, the patentee introduces "the wireless communication system includes a synchronous device" in the claim.

Regarding such amendment, the petitioner provided to the Panel that the above technical feature "synchronous device" could not essentially further define the subject "base station" of the claim or narrow the protection scope of the subject "base station" of the claim. The reasons were given as follows: first, the operation of the introduced technical feature "synchronous device" was actually the operation of the mobile station, but not the operation of the base station; second, there was no need to adjust the base station to coordinate with the "synchronous" operation of the mobile station. Therefore, such amendment did not comply with the "further limitation on a claim" stipulated in the Guidelines for Patent Examination, which did not comply with Rule 69 of the Implementing Regulations of Patent Law.

At last, the Panel decided to support the petitioner's opinion, and specified the definition of "further limitation on a claim" in the decision of invalidation, i.e., "further limitation" means to narrow the protection scope of

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the original claim by introducing one or more technical features cited in other claims. It is to further narrow the protection scope of the original subject based on the protection scope of the granted claim, but not to nominally introduce a new technical feature.