

March 31, 2009

To: Legislative Affairs Office  
State Council  
People's Republic of China

Hirohiko Usui  
President  
Japan Intellectual Property Association

**Opinions on the Draft Amendment of the Implementing Regulations of the Patent  
Law of the People's Republic of China**

We would like to express our gratitude to you for giving us the opportunity to state our opinions regarding the Draft Amendment of the Implementing Regulations of the Patent Law of the People's Republic of China.

The Japan Intellectual Property Association (JIPA) is a non-governmental organization that was established in 1938, which represents users of intellectual property systems in Japan. Counting about 900 leading companies as members, the JIPA submits recommendations and proposals to the relevant authorities and organizations with regard to the establishment of intellectual property systems overseas and improvements in the implementation thereof.

Having closely examined the Draft Amendment, we believe that it will be favorably welcomed by overseas patent applicants and patentees, because it reflects many of the changes that we previously requested and goes along with international harmonization. However, we still find some points for which we should ask for further review.

We have therefore compiled and stated our opinions in the document attached hereto. We would appreciate it if you would take them into consideration.

If you need more detailed explanation of the backgrounds and reasons for our opinions, we are willing to meet your request. Please do not hesitate to contact us.

Attachment: Opinions on the Draft Amendment of the Implementing Regulations of the Patent Law of the People's Republic of China

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P1

Issue	Patent protection of computer programs
Clause concerned	Rule 2 of the existing Implementing Regulations of the Patent Law (Article 2 and Article 25, Paragraph 1 of the Third Amendment of the Patent Law, Part II, Chapter 9, 2 of the existing Guidelines for Examination)
Summary	<p>[Request]</p> <p>We would like to request that the Implementing Regulations clearly stipulate that computer programs and structured data are protected by the Patent Law.</p> <p>[Reasons]</p> <p>An invention comprising a computer program which solves a technical problem, reflects technical means, and produces technical effects, is stipulated to be the subject matter of patent protection (Part II, Chapter 9 of the existing Guidelines for Examination). However, a program in itself belongs to rules and methods for mental activities, and there remains room for this being interpreted to be excluded from the object of protection under Article 2 or Article 25, Paragraph 1 of the Third Amendment of the Patent Law. Further, it is stipulated that a computer program stored in storage medium is excluded from the object of protection (Part II, Chapter 9 of the existing Guidelines for Examination).</p> <p>However, if computer programs are excluded from the object of protection, the following disadvantages will occur.</p> <p>i) A patent right for an invention comprising a computer program is not generally exercised until a user installs the program in a computer or executes the program. Therefore, a person who manufactures or sells a storage medium such as a DVD which stores the program, or a person who allows users to download the program through a computer network cannot be construed as manufacturing or selling infringing products, and a patent right cannot be exercised against these persons since the existing Patent Law does not provide for “indirect infringement.”</p> <p>ii) On the other hand, it is practically impossible to exercise a patent right against each of the users. Further, a user who</p>

	<p>privately uses a computer program is not an infringer, since exploitation of an invention for the purpose of manufacturing and management is a requirement for constituting patent right infringement.</p> <p>As an invention comprising a computer program can be imitated easily, we would like to request that computer programs and structured data specifying operations of a computer, which is equivalent to a computer program, are protected by the Patent Law.</p> <p>[Circumstances in other countries]</p> <p>In Japan, the Examination Guidelines for Patent and Utility Model provide that a computer program is patentable.</p>
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P2

Issue	Acceptance of application through Foreign Language Description
Clauses concerned	Rule 3, paragraph 1, and Rule 40 (2) of the Draft Amendment of the Implementing Regulations
Summary	<p>[Request]</p> <p>We would like to request that an application through a foreign language description be accepted when filing a patent application.</p> <p>[Reasons]</p> <p>It is stipulated that a patent application shall be in Chinese.</p> <p>However, due to this limitation: i) in cases where an applicant is obliged to file a patent application immediately before the priority period under the Paris Convention expires, he/she has to prepare a translation within a short period of time; ii) if incorrect translations have occurred when translating a foreign language description into a Chinese description, the incorrect translations cannot be corrected based on the description in the foreign language description unless they are described in the translation, thus there may be a case where inventions are not appropriately protected.</p> <p>Therefore, we would like to request that an application in a foreign language, at least in English which is a de facto international common language, be accepted.</p> <p>Even if a foreign language application is accepted, by obliging the applicant to file a translation within a predetermined period after filing the application, it will be possible to treat the foreign language application in the same manner as an international application under the Patent Cooperation Treaty (PCT) entering the national phase. Through this arrangement, the acceptance of a foreign language application will not impose an excessive burden upon the State Intellectual Property Office of the People's Republic of China (SIPO)</p> <p>[Circumstances in other countries]</p> <p>According to Article 36-2 of the Patent Act of Japan, US 37CFR §1.52 (b), Article 14 (2) of the revised European Patent Convention ) EPC 2000), etc., an application through a foreign</p>

	language description is accepted.
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Issue	Request for confidential examination
Clause concerned	Rule 9 of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p>[Request]</p> <p>We would like to request that:</p> <ul style="list-style-type: none"> <li>• the explanation of the technical solution to be submitted when requesting confidential examination be required to be detailed only to the same level as an abstract; and</li> <li>• when a patent application is filed with the Patent Administration Department under the State Council, it be deemed that a confidential examination thereof is requested simultaneously.</li> </ul> <p>[Reasons]</p> <p>According to Article 20 of the Third Amendment of the Patent Law, it will be possible to firstly file an application in any country other than China, with regard to an invention made in China. However, Rule 9 (1) of the Draft Amendment of the Implementing Regulations stipulates that a detailed explanation of the technical solution shall be submitted when requesting confidential examination. Further, according to Rule 3 of the Draft Amendment of the Implementing Regulations, this detailed explanation shall be written in Chinese. It is expected that when filing an application in the first country other than China, a patent description and other application documents are usually written in a language other than Chinese. In such case, in addition to those application documents, the applicant needs to prepare a detailed explanation in Chinese in order to request confidential examination, which imposes much burden in terms of time and cost. Therefore, we would like to request that the explanation of the technical solution to be submitted when requesting confidential examination be required to be detailed only to the same level as an abstract (Rule 24 of the Draft Amendment of the Implementing Regulations).</p> <p>Further, Rule 9 (3) of the Draft Amendment of the Implementing Regulations stipulates that when an international</p>

	<p>application is submitted to the Patent Administration Department under the State Council, it shall be deemed that confidential examination thereof is requested simultaneously. We approve of this arrangement. However, unlike this case, when a patent application is submitted to the Patent Administration Department under the State Council, it shall not be deemed that the request for confidential examination thereof has been made. Therefore, a person who files an application in China regarding an invention completed in China, and then files an application regarding the same invention in foreign countries is obliged to take two steps of filing a patent application and a request for confidential examination with the Patent Administration Department under the State Council, and there is a risk of complicating procedures. In the U.S. which adopts a similar system, filing a patent application file with the United States Patent and Trademark Office (USPTO) is deemed to be making a request for confidential examination. Accordingly, we would like to request that filing a patent application with the Patent Administration Department under the State Council be deemed to be making a confidential examination simultaneously in your country, similarly to an international application filed with the Patent Administration Department under the State Council. In addition, according to Rule 8 of the existing Implementing Regulations and Part V, Chapter 5, 3.1 (2) of the existing Guidelines for Examination etc., the Patent Administration Department under the State Council currently determines, targeting every patent application filed therewith, whether or not the invention claimed in the application is likely to relate to the security or other vital interests of the State. In view of this, even if the filing of every patent application filed with the Patent Administration Department under the State Council is deemed to be the filing of a request for confidential examination thereof simultaneously, we believe that this will not extremely increase the burden imposed on the Patent Administration Department under the State Council.</p>
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P4

Issue	Notification of the result of confidential examination
Clause concerned	Rule 10 of the Draft Amendment of the Implementing Regulations
Summary	<p>[Request]</p> <p>We would like to request that the Implementing Regulations stipulate that a person who requested the confidential examination shall be immediately notified of the result of the examination by the Patent Administration Department under the State Council, irrespective of whether or not confidentiality is necessary</p> <p>[Reasons]</p> <p>It is stipulated under Rule 10, paragraph 1 of the Draft Amendment of the Implementing Regulations that when the Patent Administration Department under the State Council finds the necessity of confidentiality, it shall notify the person who requested the confidential examination of such result within three months. However, as for an invention whose confidentiality is not required, no notification is made to the applicant who requested examination. If no notification is made within three months, the applicant may file a foreign application, but in that case, the foreign application will be delayed three months. Especially, when the first application is filed in a country other than China, its priority date is delayed three months, which causes a serious problem to the applicant. To avoid such situation, we would like to request that the Implementing Regulations stipulate that a person who requested the confidential examination shall be immediately notified of the result of the examination, irrespective of whether or not confidentiality is necessary.</p>

Issue	Statement of claims
Clause concerned	Rule 22, paragraph 3 of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p data-bbox="512 472 639 501">[Request]</p> <p data-bbox="512 517 1370 645">We would like to request that the Implementing Regulations provide that multiple claims may be stated with regard to substantially the same inventions.</p> <p data-bbox="512 660 639 689">[Reasons]</p> <p data-bbox="512 705 1370 833">At present, for the purpose of indicating the scope of the claim clearly and concisely, only one independent claim is permitted with regard to one invention or utility model.</p> <p data-bbox="512 848 1370 976">This means that, for example, two or more claims cannot be stated in one application even where these claims are substantially the same and fall within the same category.</p> <p data-bbox="512 992 1370 1173">However, if it is allowed to state two or more claims that are substantially the same but described in different expressions, we consider that inventions can be protected from multiple aspects and applicants can enjoy stronger protection.</p> <p data-bbox="512 1189 959 1218">[Circumstances in other countries]</p> <p data-bbox="512 1234 1370 1317">Article 36, paragraph (5) of the Patent Act of Japan allows substantially the same inventions to be stated in multiple claims.</p>

P6

Issue	Acceptance of a multiple dependent claim which further refers to a multiple dependent claim
Clause concerned	Rule 33, paragraph 2 of the Draft Amendment of the Implementing Regulations of the Patent Law (Part II, Chapter 2, 3.3.2 of the existing Guidelines for Examination)
Summary	<p>[Request]</p> <p>We would like to request that a multiple dependent claim which further refers to a multiple dependent claim be accepted.</p> <p>[Reasons]</p> <p>At present, a multiple dependent claim which further refers to a multiple dependent claim is not accepted.</p> <p>However, we consider that such a type of claim should also be accepted from the perspective of protecting inventions comprehensively.</p> <p>Therefore, we would like to request that a dependent claim in this form be accepted.</p> <p>There may be concern that such dependent claim would make it difficult to understand the scope of right. However, no serious problem has occurred in Japan and Europe where such claim is accepted.</p> <p>[Circumstances in other countries]</p> <p>The Patent Act of Japan and the European Patent Convention allow a dependent claim in this form.</p>

Issue	Relaxation of the restriction on amendments regarding the statement of the origin of genetic resources
Clause concerned	Rule 27, paragraph 2 of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p>[Request]</p> <p>We would like to request that it be allowed to make an amendment to the statement of the origin of genetic resources, not limited to the statement in the description initially attached to the application.</p> <p>[Reasons]</p> <p>Since a defective statement of the origin of genetic resources prescribed in Article 26 of the Third Amendment of the Patent Law is not treated as a cause for invalidation but is listed as a cause for rejection, the applicant needs to be prepared to respond in case he/she is notified of rejection by reason of such defective statement during the examination procedure. However, it is often the case that the applicant has no knowledge of the origin of genetic resources, and in such case, it may be significantly difficult to state the origin at the time of filing a patent application. Paragraph 5 of said Article stipulates that the applicant shall not be required to report the origin if he/she states the reasons why he/she is unable to report it. However, since the Draft Amendment of the Implementing Regulations does not clearly show what kind of reasons will be regarded as appropriate reasons for being exempted from reporting the origin, a notification of reasons for rejection is likely to be issued due to a defective statement of the origin or inappropriate reasons for the impossibility to report. Having received such notification, the applicant should amend the statement of the origin to the extent that the examiner finds it appropriate, or state the reasons why he/she is unable to report the origin. It is presumed that in some cases, the applicant would need to make an amendment by adding new matters which have not been included in the description initially attached to the application.</p> <p>Therefore, we would like to strongly request that an</p>

arrangement be made so that when making an amendment for the purpose of responding to a notification of rejection by reason of a defective statement of the origin of genetic resources, the applicant can make an appropriate amendment, not limited to the matters included in the description initially attached to the application. We believe that even if the applicant makes an amendment for such purpose by adding new matters which have not been included in the description initially attached to the application, it will not cause problems such as expanding the scope of right or excluding later applications.

In addition, if the Guidelines for Examination give some examples of the desirable statement of the origin and the acceptable reasons for the impossibility to report the origin, it will reduce the procedures for issuing notification of rejection by reason of such defective statement of the origin and promote smooth examination. We would also like to request that such arrangement be considered.

[Circumstances in other countries]

In Japan and the US, there is no provision which requires a statement of the origin of genetic resources. In Europe, there is a similar provision requiring such statement, but an applicant who has no knowledge of the origin is allowed to declare ignorance.

Issue	Matters to be stated in the brief explanation of the design
Clause concerned	Rule 29, paragraph 1 of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p>[Request]</p> <p>We would like to request that the matters to be stated in the brief explanation of the design, which are set forth in Rule 29, paragraph 1 (1) to (4) of the Draft Amendment of the Implementing Regulations, be treated not as mandatory items but as optional items that the applicant may choose to include or not include in the brief explanation.</p> <p>[Reasons]</p> <p>The creative aspect of a design is not only found in features of a part of the design but also found in features of some or all components of the design. Therefore, it can be described concisely by text in some cases, or it can be more easily understood when it is expressed by drawings (or photographs) in other cases.</p> <p>Rule 29, paragraph 1 of the Draft Amendment of the Implementing Regulations lists four matters that must be stated in the brief explanation of the design. Among these matters, for example, (1) “name of the product to which the design is applied” cannot be stated in cases where the name of such product has not yet been decided by the time of filing the application or where the design is not expected to be applied to any product. For some products, it may not be necessary to specify the “use of the product” if the name of the design is stated. For these reasons, we would like to request that an arrangement be made to allow the applicant to choose the matters to be stated from among the matters (1) to (4) prescribed in Rule 29, paragraph 1 of the Draft Amendment of the Implementing Regulations.</p> <p>[Circumstances in other countries]</p> <p>Under the partial design systems implemented in Japan, the US and Europe, applicants are not required to describe the features of the design by text, and they usually clarify the features by drawings, etc., using solid lines and dotted lines appropriately.</p>

	We consider that it is sufficiently possible to show the features of a design only by drawings or photographs.
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Issue	Expansion of the scope of exhibitions eligible for the exception to the lack of novelty
Clause concerned	Rule 30, paragraph 1 of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p>[Request]</p> <p>We would like to request that the scope of exhibitions, which shall be eligible for the exception to the lack of novelty, include “an international exhibition held in the territory of a country of the Union of the Paris Convention or a member of the World Trade Organization by its Government, etc. or those who are authorized thereby to hold such an exhibition.”</p> <p>[Reasons]</p> <p>Due to limited information available on the exhibitions currently registered at the International Exhibition Bureau, it is difficult for non-Chinese applicants to find whether or not the exhibitions where they have shown their products are eligible for the exception to the lack of novelty. Furthermore, since whether or not showing products at exhibitions is permissible is usually determined in accordance with the criteria for the exception to the lack of novelty under the national laws of exhibitors, applicants are likely to show their products at exhibitions without confirming the eligibility for exception in other countries. In view of such circumstances, we would like to request that exhibitions officially recognized in the territories of countries of the Union of the Paris Convention or members of the World Trade Organization be included in the scope of exhibitions which shall be eligible for the exception to the lack of novelty.</p> <p>[Circumstances in other countries]</p> <p>Article 30, paragraph (3) of the Patent Act of Japan clearly stipulates that an international exhibition held in the territory of a country of the Union of the Paris Convention or a member of the World Trade Organization by its Government, etc. or those who are authorized thereby to hold such an exhibition shall be eligible for the exception to the lack of novelty.</p>



P10

Issue	System of one application for multiple similar designs
Clause concerned	Rule 36, paragraph 1 of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p>[Request]</p> <p>We would like to request that the number of similar designs that may be included in one application be increased under the system of one application for multiple similar designs.</p> <p>[Reasons]</p> <p>We approval of the measures taken in the Draft Amendment of the Implementing Regulations, such as introducing the system of one application for multiple similar designs as well as preliminary examination for design applications, allowing the filing of a divisional application as a remedy for the applicant, and excluding the violation of the rule of one application for multiple similar designs from the grounds for invalidation.</p> <p>However, we would like to request that the limitation to the number of similar designs to be included in one application (10 designs) be reviewed.</p> <p>In order to protect an important product by means of a design right for the purpose of preventing imitations, it is necessary to file 20 to 30 similar designs. More specifically, the applicant imagines possible modifications to his/her design (except for its main part) that could be made by imitators, and files modified designs as similar designs of his/her basic design before the release of the product, thereby obtaining stronger protection.</p> <p>We believe that the system of one application for multiple similar designs is to be introduced to support applicants' efforts to fight against imitations. We would like to request that this system be reformed in line with the reality of the applicants' activities.</p>

P11

Issue	Relaxation of the time restriction on the filing of a divisional application
Clause concerned	Rule 44 of the Draft Amendment of the Implementing Regulations of the Patent Law (Part I, Chapter 1, 5.1.1 of the existing Guidelines for Examination)
Summary	<p>[Request]</p> <p>We would like to request that the time restriction on the filing of a divisional application be relaxed, so that another divisional application (second divisional application or grandchild application) can be filed based on an already filed divisional application (first divisional application or child application), irrespective of the legal status of the initial application (parent application).</p> <p>[Reasons]</p> <p>In accordance with the existing Guidelines for Examination put into effect in July 2006, when the original application has been registered, withdrawn or rejected, it is no longer allowed to file a second divisional application based on the first divisional application even if the first divisional application is pending at SIPO, with the exception that a unity defect is found in the first divisional application (Part I, Chapter 1, 5.1.1 of the existing Guidelines for Examination).</p> <p>However, before being notified of the examiner's final decision or the results of the prior art search, the applicant cannot completely predict the scope of the patent right that he/she may obtain, and due to such limit, the claims as of the grant of the patent are not sufficiently effective in some cases. This problem may occur irrespective of whether the patent is granted based on the initial application or the divisional application arising from the initial application. In view of such circumstances, the above-mentioned restriction on the filing of a divisional application would prejudice the applicants' rights.</p> <p>For this reason, we would like to request that the divisional application system that existed before be revived, so that, even where the initial application has been registered, withdrawn or</p>

	<p>rejected, the applicant can file a second divisional application based on the first divisional application while the first divisional application arising from the initial application is pending at SIPO.</p> <p>[Circumstances in other countries]</p> <p>In major countries (Japan, US, Europe), the applicant may file another divisional application based on an already filed divisional application during the period in which amendments may be made to the description, etc., irrespective of whether the initial application has been registered, withdrawn or rejected (e.g. Article 44 of the Patent Act of Japan).</p>
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Issue	Scope of subjects of preliminary examination of design applications, introduction of substantive examination for design applications, and establishment of the partial design system
Clause concerned	Rule 46, paragraph 1 (3) of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p>[Request]</p> <p>We would like to request that:</p> <p>(1) “inventiveness” (not easy to create) set forth in Article 23, paragraph 2 of the Third Amendment of the Patent Law be included in the scope of subjects of preliminary examination; and</p> <p>(2) the authorities concerned consider, from a medium-term perspective, the introduction of substantive examination for design applications based on the examiner’s search, and also consider the introduction of a partial design system to protect novel and creative features of designs.</p> <p>[Reasons]</p> <p>We approve of the arrangement to include “novelty” set forth in Article 23, paragraph 1 of the Third Amendment of the Patent Law in the scope of subjects of preliminary examination under Rule 46, paragraph 1 (3) of the Draft Amendment of the Implementing Regulations.</p> <p>However, “inventiveness” (not easy to create) set forth in Article 23, paragraph 2 of the Third Amendment of the Patent Law is not included in the scope of subjects of preliminary examination. We would like to request that a system should be introduced in preliminary examination so that the examiner can reject an invention in which he/she finds obvious lack of inventiveness, in the same manner of dealing with the lack of novelty.</p> <p>Furthermore, in order to ensure the stability of rights and prevent abuse of rights, we would also like to request that the authorities concerned continue to consider the introduction of the examination system based on the examiner’s search for design applications.</p> <p>As far as we are informed, toward introducing a patent</p>

evaluation report system for design upon the taking effect of the Third Amendment of the Patent Law, efforts are being made to build a design search database. We believe that with such database, it will be possible to conduct substantive examination for design applications as well.

In addition, we would like to request that, along with the introduction of examination based on the examiner's search, a partial design system also be introduced as a framework for protecting important parts of articles which can attract consumers' attention. If this system is introduced, design creators will be able to precisely identify features of designs created by others and give respect to rights of others, which will greatly contribute to increasing the originality of designs created by Chinese creators.

[Circumstances in other countries]

Article 16 of the Design Act of Japan and Section 131 of the US Patent Act adopt the examination system in which the patent office examines design applications before granting design rights.

Article 2, paragraph (1) of the Design Act of Japan and Article 3(a) of the Community Design Regulations protects designs of parts of products (also protected in the United States.)

Issue	Relaxation of the restriction on amendments to be submitted when responding to a notification of opinions of examination
Clause concerned	Rule 52 of the Draft Amendment of the Implementing Regulations of the Patent Law (Article 33 of the Third Amendment of the Patent Law, Part II, Chapter 8, 5.2 of the existing Guidelines for Examination)
Summary	<p>[Request]</p> <p>We would like to request that when responding to the first notification of opinions of examination, amendment be also allowed to correct defects other than those pointed out in the notification.</p> <p>[Reasons]</p> <p>The Draft Amendment of the Implementing Regulations provides that when the applicant amends the application in response to a notification of opinions of examination, he/she shall make the amendment regarding the defects pointed out in the notification (Rule 52).</p> <p>However, if no amendment is allowed to correct defects other than those pointed out in the notification, the following problems will occur.</p> <p>(1) In reality, since the applicant tries to file an application as fast as he/she can under the first-to-file principle, it is difficult for him/her to conduct prior art search or state the claims perfectly, and he/she usually finds defects in the statements in the application documents and corrects them during the examination procedure. Therefore, given the existing or drafted restriction on amendment, it would be difficult for the applicant to obtain a patent for his/her invention even if it is stated in the initial description. It would be extremely harsh to the applicant and also contrary to the objective of protection of inventions.</p> <p>(2) In order to avoid the failure to obtain a patent under the existing system, the applicant has no choice but to file a divisional application. This would impose a huge procedural and financial burden on the applicant, and it would also increase the examination workload on SIPO, going against its policy of</p>

	<p>expeditious examination. Furthermore, if the increase in the number of divisional applications causes a delay in the examination procedure, it would lead to the situation where applications yet to be examined would continue to be pending for a long period. As a result, parties other than applicants would refrain from exploiting relevant technology, which would impede the sound development of economy.</p> <p>However, allowing amendments without restriction if only they are based on the descriptions is rather likely to cause a delay in examination and bring about unpredictable pending applications , thereby harming public interest. Therefore, in light of the balance between the applicant's interest and public interest, we would like to request that only when responding to the first notification of opinions of examination, it be allowed to make an amendment to correct defects other than those pointed out in the notification.</p> <p>[Circumstances in other countries]</p> <p>In Japan, when responding to the first notice of reasons for refusal, the applicant may make an amendment based on the statements of the description basically without restriction (Article 17-2 of the Patent Act).</p>
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Issue	Relaxation of the requirements for requesting a patent evaluation report
Clause concerned	Rule 56, paragraph 2 of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p>[Request]</p> <p>Rule 56, paragraph 2 of the Draft Amendment of the Implementing Regulations provides that the term “interested party” refers to a person who has filed a suit with a people’s court or made a request to the administrative authority for patent affairs against infringement of his/her patent right, and includes a licensee who has concluded an exclusive patent license contract and a non-exclusive patent licensee who has been given the authority to sue by the patentee.” We would like to request that the definition of the term “interested party” be expanded so that, in addition to the patentee and licensee, a person who has received a warning notice from a patentee can also request a patent evaluation report.</p> <p>[Reasons]</p> <p>A “patent evaluation report” is a useful tool in that when the patentee or licensee submits this report as a basis for asserting the validity of his/her patent right for utility model or design to protect the right, the people’s court or the administrative authority for patent affairs can make a determination on the validity of the patent promptly by referring to the report. It may also be an effective means to prevent abuse of rights.</p> <p>If this report is available not only to the patentee or licensee alleging patent infringement but also to a person who has received a warning notice from the patentee, in a manner that such person can request the patentee to present the report or make a request directly to the authority for issuing the report, it will be helpful for preventing abuse of a patent right for utility model or design out of court.</p>



Issue	Relaxation of the time limit for submitting an answer to the opinions of initial evaluation stated in the patent evaluation report
Clause concerned	Rule 58 of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p>[Request]</p> <p>The Draft Amendment provides that where the patent authority has found that a patent does not comply with the requirements for grant and given the patentee a notification of opinions of initial evaluation to that effect with reasons therefor, the patentee may state his/her opinions on such evaluation within one month from the date of receipt of the notification. We greatly appreciate such arrangement to give the patentee the opportunity to argue against evaluation, but the time limit of one month is too short for a foreign patentee to submit a sufficient answer. Therefore, we would like to request that the time limit be specified as four months or so, and extension thereof be allowed.</p> <p>[Reasons]</p> <p>The Draft Amendment provides that where the patentee has received a notification of opinions of initial evaluation of the patent with reasons therefor, he/she may submit his/her opinions on such evaluation within one month from the date of receipt of the notification. We presume that this time limit has been set with a view to speeding up the preparation of a patent evaluation report and thereby realizing early solution to a patent infringement dispute.</p> <p>However, it is a serious problem to the patentee if his/her patent right, after it is granted, is later found to have grounds for invalidation. It is therefore necessary for the patentee to prepare his/her answer after fully understanding the content of the opinions of initial evaluation and the reasons therefor that the administrative authority for patent affairs compiled. In particular, in the case of a foreign patentee, more time is required to receive a notification via his/her Chinese attorney and translate a written answer, and in this respect, the time limit of one month is too short, and if the time limit is unextendable, it is too harsh to a</p>

foreign patentee.

For this reason, we would like to request that the time limit for submitting an answer to a notification of opinions of initial evaluation be specified as four months or so, like the time limit for responding to a notification of opinions of examination, and the time limit be extendable.

Issue	Relaxation of the restrictions on amendment in the reexamination procedure
Clause concerned	Rule 63 of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p>[Request]</p> <p>We would like to request that amendments that may be accepted when responding to a notification of reexamination not be limited to removal of defects pointed out in the decision of rejection of the application or in the notification of reexamination, but amendments satisfying the requirements under Article 33 of the Third Amendment of the Patent Law be allowed.</p> <p>[Reasons]</p> <p>It occurs very frequently in practice that the applicant finds clerical errors in the application documents or discovers prior art that is similar to the claimed invention. In accordance with the provision of Rule 63 of the Draft Amendment of the Implementing Regulations, even when the applicant finds such clerical errors or prior art, he/she cannot make an amendment if the clerical errors or prior art are not pointed out in the decision of rejection of the application or in the notification of reexamination.</p> <p>In such case, there is a likelihood that a patent right might be registered while carrying with it such grounds for invalidation. This raises a concern that a third party, without knowledge of such grounds for invalidation in the patent right, could be misled to believe that the patent right is valid, which might result in impeding the economic development of your country. There is also a concern that a third party would make a request for invalidation after becoming aware of the grounds for invalidation, and this would occur more frequently.</p> <p>Therefore, we would like to request that, in line with the existing examination procedure, the applicant be also allowed in the reexamination procedure to make an amendment to correct clerical errors or clarify the difference between the claimed</p>

	<p>invention and the prior art, if approved by the examiner, etc. [Circumstances in other countries]</p> <p>In the US, Europe and Japan, there is no rule which limits the matters that may be amended to those pointed out in the office action equivalent to a notification of reexamination.</p>
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Issue	Time limit for responding to a notification of reexamination
Clause concerned	Rule 65 of the Draft Amendment of the Implementing Regulations of the Patent Law (Part IV, Chapter 2, 4.3 of the existing Guidelines for Examination)
Summary	<p>[Request]</p> <p>We would like to request that the time limit by which the person requesting reexamination should respond to a notification of reexamination be specified as four months or so.</p> <p>[Reasons]</p> <p>When receiving a notification of reexamination issued by the Patent Reexamination Board, the person requesting reexamination is given the opportunity to state his/her opinions under Rule 65 of the Draft Amendment of the Implementing Regulations. The time limit for stating opinions is specified as one month from the date of the receipt of the notice of reexamination (Part IV, Chapter 2, 4.3 of the existing Guidelines for Examination).</p> <p>On the other hand, in the examination procedure, the time limit for responding to the first notification of opinions of the examination is specified as four months (Part II, Chapter 8, 4.10.3 of the existing Guidelines for Examination).</p> <p>The person requesting reexamination, when receiving a notification of reexamination, seeks to state his/her opinions after fully understanding the content of the notification, as in the case of receiving a notification of opinions of the examination. In particular, for a foreign applicant requesting reexamination, the time limit of one month is too tight because he/she needs time to receive a notification of reexamination via his/her Chinese attorney and then translate necessary documents.</p> <p>Therefore, we would like to request that the time limit for responding to a notification of reexamination be specified as four months or so, like the time limit for responding to a notification of opinions of examination.</p> <p>[Circumstances in other countries]</p> <p>Japan: The time limit for response is designated by the examiner</p>

	<p>or appeal examiner. It is 60 days in principle and three months for persons residing abroad, and may be extended by the authority of the examiner or appeal examiner (Article 50 and Article 5 of the Patent Act).</p> <p>US: The time limit for response is two months in principle (37 CFR 1.193(b)(1)).</p>
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Issue	Time limit for adding reasons or supplementing evidence regarding a request for invalidation
Clause concerned	Rule 69 of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p>[Request]</p> <p>We would like to request that the period for adding reasons or supplementing evidence regarding a request for invalidation prescribed in Rule 69 of the Draft Amendment of the Implementing Regulations be specified as two to three months in cases where the person making the request is a foreign national or company.</p> <p>[Reasons]</p> <p>Rule 69 of the Draft Amendment of the Implementing Regulations provides that the person making a request for invalidation may add reasons or supplement evidence within one month from the date when the request is filed. Where a person voluntarily makes a request for invalidation of a patent, he/she can make sufficient preparation before filing a request, and in such case, it is usually not necessary to give a long period of time for adding reasons or supplementing evidence. However, it also often happens that a person sued by a patentee for patent infringement makes a request for invalidation of the patent as a means of defense.</p> <p>On the other hand, according to Article 8, paragraph 2 and Article 9 of the judicial interpretation of the Supreme People's Court on "Several Provisions of the Supreme People's Court on Issues Relating to Application of Law to Adjudication of Cases of Patent Disputes" (Judicial Interpretation No. 21 of 2001), where a defendant sued for infringement of a patent right for a utility model or design requests suspension of the suit by making a request for invalidation, he/she shall file a request for invalidation within the period for filing a defense (15 days from the service of a copy of the statement of complaint under Article 113 of the Civil Procedure Law in the case where the defendant is a Chinese national or company, or 30 days from the service of a copy of the</p>

statement of complaint under Article 248 of said Law in the case where the defendant is a foreign national or company). It then follows that a defendant sued by a patentee for infringement of a patent right for a utility model or design, even when he/she has not made any preparation for making a request for invalidation, has to file a request within 15 days or 30 days from the receipt of a copy of the statement of complaint if he/she seeks suspension of the suit, and also submit necessary reasons and evidence to the Patent Reexamination Board within one month from the date of request.

Furthermore, where the person making a request for invalidation is a foreign national or company, various documents and evidence to be submitted to the Patent Reexamination Board should be translated into the Chinese language. According to the provisions of Part IV, Chapter 8, 2.2.2 of the Guidelines for Examination, evidence formed beyond the territory of the People's Republic of China should be verified by the Chinese Consulate to the country.

Thus, in cases where a defendant who is a foreign national or company, when sued for infringement of a patent right for a utility model or design that is questionable for its validity, makes a request for invalidation of the patent, the defendant has to carry out the activities to conduct the suit, such as collecting evidence, translating documents and obtaining verification, within about two months---a total of the 30 days period for filing a defense under Article 248 of the Civil Procedure Law and a one-month period for adding reasons or supplementing evidence under Rule 69 of the Draft Amendment of the Implementing Regulations. It is practically impossible to complete all of these activities within such a short period.

For these reasons, we would like to request that the period for adding reasons or supplementing evidence regarding a request for invalidation prescribed in Rule 69 of the Draft Amendment of the Implementing Regulations be specified as two to three months in cases where the person making the request is a foreign national or company.





Issue	Amendment through the invalidation procedure
Clause concerned	Rule 71 of the Draft Amendment of the Implementing Regulations of the Patent Law (Part IV, Chapter 3, 4.6 of the existing Guidelines for Examination)
Summary	<p>[Request]</p> <p>We would like to request that in the invalidation procedure, it be allowed to make an amendment to restrict the claim by adding a (limitative) technical feature that was initially stated only in the description.</p> <p>We would also like to request that in the invalidation procedure, amendment not be limited to claims but also allowed with regard to the description attached to the application for a patent for an invention or utility model.</p> <p>[Reasons]</p> <p>The existing Guidelines for Examination, in Part IV, Chapter 3, 4.6.2, provide that the manners of amendment are limited to deletion of a claim, combination of claims, and deletion of a technical solution.</p> <p>Under this provision, the patentee, when facing a request for invalidation, can assert the validity of his/her patent only within the scope of the claim, and even when the description contains a limitative feature that can contribute to patentability, the patentee is not allowed to restrict the claim by adding such feature so as to maintain the patent.</p> <p>In the examination procedure, the patentee is required to take into consideration the prior art inventions that are more similar to the claimed invention than the cited inventions and set a subordinate (limitative) claim in advance, but there is a limit to such arrangements. Forcing patentees to voluntarily remove a defect in their patents, thereby giving them trouble in obtaining patent rights, would be unfair.</p> <p>Therefore, we would like to request that the restrictions on the manners of amendment that may be accepted in the invalidation procedure be relaxed to allow a manner of amendment that will not cause unexpected damage to a third party, such as restricting</p>

	<p>the claim by adding a (limitative) technical feature that was initially stated only in the description.</p> <p>Furthermore, during the examination procedure for an application for patent for an invention or a utility model, amendment can be made to the description (e.g. amendment to the technical means upon amendment to the claim). In cases where the patent is invalidated on the grounds that such amendment is in violation of Article 33 of the Third Amendment of the Patent Law, it would be extremely difficult for the patentee to get rid of the grounds for invalidation if he/she is not allowed to amend the description during the invalidation procedure, which would be significantly unfair to the patentee.</p> <p>[Circumstances in other countries]</p> <p>Under Article 134-2 of the Patent Act of Japan, the demandee in a trial for invalidation (the patentee) may correct the description, scope of claims or drawing(s) attached to the application, for the purpose of restricting the scope of claims, correcting errors or incorrect translation, or clarifying an ambiguous statement.</p>
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Issue	Clarification of the conditions for granting a compulsory license
Clause concerned	Rule 76, paragraph 1 of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p data-bbox="512 472 639 506">[Request]</p> <p data-bbox="512 517 1370 741">We would like to request that the Implementing Regulations clearly state that Article 48, paragraph 1 (1) of the Third Amendment of the Patent Law shall not apply where the patentee or licensee continues to conduct research or experiments necessary for the exploitation of the patented invention.</p> <p data-bbox="512 752 639 786">[Reasons]</p> <p data-bbox="512 797 1370 1167">Article 48, paragraph 1 (1) of the Third Amendment of the Patent Law provides that the administrative authority for patent affairs may grant a compulsory license to exploit the patent for an invention or utility model in the case where “the patentee has not exploited the patent at all without good reason or has not exploited it sufficiently after the expiration of three years from the acquisition of the patent right or four years from the date of filing.”</p> <p data-bbox="512 1178 1370 1794">However, in some industries, a long period of research and experiments are required to exploit patents, and it is difficult to put the patented invention into practice within the time limits prescribed in Article 48, paragraph 1 (1) of the Third Amendment of the Patent Law. For example, in the pharmaceutical industry, it takes five to ten years to complete research and experiments for confirming drug safety, such as in vitro tests and animal tests, and then it takes five or more years to complete clinical tests. On the other hand, since the filing of patent or utility model applications takes place at the early phase of the research process, drug manufacturers are unable to sell the patented products at the time of “expiration of three years from the acquisition of the patent or four years from the date of filing.”</p> <p data-bbox="512 1805 1370 1986">In such case, we expect that the patent authority will find good reasons for not exploiting the patent, but in order to avoid unnecessary disputes, we would like to request that Rule 76, paragraph 1 or any other clauses of the Implementing</p>

	<p>Regulations clearly state that Article 48, paragraph 1(1) of the Third Amendment of the Patent Law shall not apply where the patentee or licensee “continues to conduct research or experiments necessary for the exploitation of the patented invention.”</p>
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Issue	Clarification of the scope of medical products subject to the grant of a compulsory license
Clause concerned	Rule 76, paragraph 2 of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p>[Request]</p> <p>We would like to request that the scope of medical products which are subject to the grant of a compulsory license for import or export be limited to an appropriate extent.</p> <p>[Reasons]</p> <p>With regard to the provisions on a compulsory license for the export of medical products, since the phrase which appears in Rule 76, paragraph 2, “public health problems,” is a very broad concept, it is possible to construe that any medical product shall be subject to the grant of a compulsory license for export. On the other hand, the grant of a compulsory license for the import of medical products to China shall be granted only in the event of a “national emergency or any extraordinary state of affairs” as prescribed in Article 49 of the Third Amendment of the Patent Law relevant to Rule 77, paragraph 1 of the Draft Amendment of the Implementing Regulations, which means that a compulsory license for export is not granted targeting every health problem. However, since Rule 77, paragraph 1 of the Draft Amendment of the Implementing Regulations cites Rule 76, paragraph 2, it is likely, in light of the language of the provisions alone, that people would be misled to believe that a compulsory license for import will be granted for every medical product. Considering that compulsory licenses for import and export of medical products are like two sides of the same coin, the scope of subject medical products should be unified.</p> <p>The expansion of the scope of medical products subject to the grant of a compulsory license would reduce the initiative for research and development of new drugs among Chinese and foreign drug manufacturers, which could lead to an undesirable situation where medical products necessary for Chinese people are not developed. To avoid this, the grant of a compulsory</p>

	<p>license for medical products must be keep within the requisite minimum limit.</p>
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	<p>For these reasons, we would like to request that the phrase in Rule 76, paragraph 2, “public health problems,” be accompanied by the condition of “[in the event of] a national emergency or any extraordinary state of affairs,” thereby limiting the scope of application of the provision appropriately.</p>
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Issue	Clarification of the condition for paying remuneration for granting a compulsory license
Clause concerned	Rule 78, paragraph 2 of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p>[Request]</p> <p>We would like to request that the circumstances where a Chinese entity or individual who is granted a compulsory license is not required to pay remuneration to the patentee be clarified.</p> <p>[Reasons]</p> <p>In the provision of Rule 78, paragraph 2, the meaning of the phrase “appropriate remuneration already paid by the WTO member state which produces and exports the medical products” is so vague that it might be misconstrued to mean that this provision also applies in cases where remuneration is paid as the price for the sale within the territory of said WTO member state or for export to countries other than China.</p> <p>For this reason, we would like to request that this provision clearly indicate that remuneration referred to therein means remuneration “as the price for export to China,” thereby preventing the possible misconception mentioned above.</p>



Issue	Provision on the case of non-exploitation of patent by State-owned institution or universities
Clause concerned	Rule 86 of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p>[Request]</p> <p>We would like to request that Rule 86 of the Draft Amendment of the Implementing Regulations clearly state that a patent right jointly owned by a State-owned institution or university and a private enterprise shall be excluded from the application of the provision of said Rule.</p> <p>[Reasons]</p> <p>The provision of Rule 86 of the Draft Amendment does not clearly state whether it shall apply to a patent right jointly owned by a State-owned institution or university and a private enterprise, and if it applies, whether the inventor who belongs to the private enterprise shall be granted the same right to exploit the patent independently as the right granted to the inventor who belongs to the State-owned institution or university.</p> <p>If this provision is also applied to a patent right jointly owned with a private enterprise but the right to exploit the patent is granted only to the inventor who belongs to the State-owned institution or university, this would cause inequality between the inventors.</p> <p>If the inventor who belongs to the private enterprise is granted the same right as the inventor who belongs to the State-owned institution or university, this would significantly affect the private enterprise's business strategy, which might make private enterprises reluctant to carry out joint research with State-owned institutions or universities.</p> <p>For this reason, we would like to request that Rule 86 of the Draft Amendment clearly state that a patent right jointly owned by a State-owned institution or university and a private enterprise shall be excluded from the application of the provision of said Rule.</p>

Issue	Provisions on service inventions-creations
Clauses concerned	Rule 87 to Rule 89 of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p>[Request]</p> <p>1) Rule 88, paragraph 1 of the Draft Amendment has raised the amount of money prize for a patent for invention and a patent for utility model or design, respectively. We would like to request that the current amount (RMB 2,000 yuan for invention, and RMB 50 yuan for utility model or design) be maintained.</p> <p>2) Rule 88, paragraph 2 of the Draft Amendment provides that where an invention-creation is made on the basis of an inventor's or creator's proposal adopted by the entity to which he belongs, the enterprise to which a patent right is granted shall award to him a money prize on favorable terms. We would like to request that this provision be deleted.</p> <p>3) Rule 89 of the Draft Amendment provides that the amount of money prize shall be determined on the basis of the amount of the profits [after taxation] earned from the exploitation of the invention. We would like to request that the definition of the phrase “the profits [after taxation] earned from the exploitation of the invention” be clarified.</p> <p>[Reasons]</p> <p>We approve of the Draft Amendment for providing that reward and remuneration for an invention may be determined by a contract and that only in the absence of such contract, the conditions for reward and remuneration as set forth in Rule 88 and Rule 89 shall apply. However, we would request that the draft provisions concerning reward and remuneration be further reviewed in terms of our requests mentioned above, for the following respective reasons.</p> <p>1) Although it is provided that a contract shall prevail, we are concerned that the minimum amount of money prize specified in Rule 88, paragraph 1 of the Draft Amendment would have an influence not only on contracts to be concluded in the future but also on the existing contracts. In other words, said minimum</p>

	<p>amount might serve as a standard amount of money prize and hinder the establishment of more flexible award systems. Furthermore, there is also concern that those companies that have already established award systems by referring to the existing Implementing Regulations might be forced to review their systems. For this reason, we consider that the existing minimum amount should be maintained.</p> <p>2) Rule 88, paragraph 2 of the Draft Amendment uses a phrase “invention-creation is made on the basis of an inventor's or creator's proposal adopted by the entity to which he belongs.” This does not clearly define the scope of the inventions subject to this provision, which would cause unnecessary disputes. Therefore, we would like to request that this provision be deleted.</p> <p>3) Rule 89 of the Draft Amendment provides that the amount of money prize shall be determined on the basis of the amount of the profits [after taxation] earned from the exploitation of the invention, etc. This provision should be clarified, because the definition of the phrase “the profits [after taxation] earned from the exploitation of the invention, etc.” is unclear and the calculation of the amount of such profits would cause many troubles and unnecessary disputes. (See the supplementary notes.)</p> <p>[Supplementary notes]</p> <p>Unclear points of the phrase “the profits [after taxation] earned from the exploitation of the invention, etc.”</p> <p>(a) Does “profits after taxation” mean “net profits after taxation”?</p> <p>(b) Does “[profits] earned from the exploitation of the invention, etc.” mean profits earned in the case where the patentee company exploits the patented invention, etc. <u>exclusively for its own products</u>, while refusing to license the patent to any other company, and earns profits through such exercise of the right to prohibit any other company from exploiting the invention (excess profits)? If this phrase has such meaning, in cases where the patentee company exploits the patented invention, etc. <u>non-exclusively</u> (exploiting the invention for its own products while licensing or being ready to license the patent to another</p>
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	<p>company; the same shall apply), any profits earned from the exploitation would be excluded from the profits eligible for remuneration. Is our understanding correct?</p> <p>(c) If any profits earned from the <u>non-exclusive exploitation</u> are also included in the profits eligible for remuneration, how should the amount of “the profits earned after taxation from the exploitation of the invention, etc.” be calculated?</p> <p>(d) In cases where the patentee company exploits two or more patented inventions, etc. for its own products (exclusively (b) or non-exclusively (c)), will the “profits after taxation” be distributed depending on the degree of contribution of each invention?</p>
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Issue	Relaxation of the time limit by which the requested party should file a defense in a patent infringement dispute
Clause concerned	Rule 101, paragraph 1 of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p>[Request]</p> <p>In a patent infringement case, when the administrative authority for patent affairs has sent to the requested party copies of the request and document certifying the infringement, the requested party shall be required to file a statement of defense. We would like to request that the extension of the time limit for filing a statement of defense be allowed, or if the time limit is unextendable, it should be 45 days or so.</p> <p>[Reasons]</p> <p>Rule 101, paragraph 1 of the Draft Amendment of the Implementing Rules provides that when the administrative authority for patent affairs sends copies of the request and the document certifying the infringement to the requested party, the authority shall require the requested party to file a statement of defense within 15 business days from the day on which he/she received the copies.</p> <p>In most patent infringement cases handled by the administrative authorities for patent affairs thus far, both the requesting and requested parties were Chinese nationals or companies, or the requesting party (patentee) was a foreign company and the requested party (defendant/allegedly infringing party) was a Chinese national or company. However, along with the increase in China's technical capabilities and the penetration of the Chinese government's opening market policy (e.g. accession to the WTO), it is expected that more Chinese patentees will bring disputes to the administrative authorities for patent affairs, alleging infringement of their patents by foreign products distributed in China.</p> <p>In such cases, a foreign company's local affiliates, such as sales companies, production companies and sales agents, would be accused and stand as the requested party, and the foreign</p>

company which produced the allegedly infringing products would be asked by the requested party to take some measures.

The requested party would then have to communicate with the foreign company that developed the product in dispute, and it would be difficult for said party to take sufficient measures (including translation of necessary documents) within 15 business days.

Article 113 of the Civil Procedure Law of China provides that the defendant shall file a defense within 15 days from the receipt of the copy of the statement of complaint, whereas Article 246 of said Law extends such period to 30 days in the case of the defendant who has no domicile in China.

The period for filing a defense set forth in the Arbitration Regulations established under the Arbitration Law is 45 days from the day on which a notice of arbitration is received by the respondent, domestic or foreign.

Compared with the periods for filing a defense prescribed in these legislations, the unextendable period of 15 business days under the Draft Amendment is too short. Therefore, we would like to request that the extension of the time limit for filing a defense be allowed, or if the time limit is unextendable, it should be 45 days or so.

Issue	Correction of the clerical errors (wrong clause number) concerning the decision of punishment by the administrative authority for patent affairs
Clauses concerned	Rule 111 and Rule 112 of the Draft Amendment of the Implementing Regulations of the Patent Law
Summary	<p>[Request]</p> <p>As it seems, a wrong clause number is cited in Rule 111 and Rule 112 of the Draft Amendment of the Implementing Rules.</p> <p>The phrase “Rule 111 of these Implementing Regulations” indicated in the subparagraphs of Rule 111, and Rule 112, paragraph 4, in light of the substance of the provisions thereof, seems to be a clerical error and it should be “Rule 109 of these Implementing Regulations.” We would like to request that the clause number be confirmed.</p>

Issue	Extension of the period for correcting mistakes in the Chinese translation (translation errors) based on the original international application
Clause concerned	Rule 144 of the Draft Amendment of the Implementing Regulations of the Patent Law (Part III, Chapter 2, 6 of the existing Guidelines for Examination)
Summary	<p>[Request]</p> <p>We would like to request that the time limit for correcting mistakes in the Chinese translation (translation errors) based on the original PCT application be extended until the registration of the grant of the patent right.</p> <p>We would also like to request that it be allowed to correct mistakes in the Chinese translation after the grant of a patent right under certain restrictions.</p> <p>[Reasons]</p> <p>When a PCT application has entered the national phase in China, mistakes in the Chinese translation may be corrected within a certain time limit.</p> <p>However, it is often the case that mistakes in the translation have not been discovered until the applicant receives the notification of the opinions of the examination, and in such case, the applicant is unable to correct mistakes in the translation, which would prevent sufficient protection for the invention.</p> <p>Therefore, we would like to request that it be allowed to correct mistakes in the translation at any time while the application is pending.</p> <p>Furthermore, we would like to request that it also be allowed to correct mistakes in the translation based on the original PCT application even after the grant of the patent right is registered, in order to prevent the invalidation of the patent right on the grounds of minor mistakes and to ensure appropriate protection for the patented invention, on certain conditions such as that the scope of the patent should not be expanded or changed.</p> <p>[Circumstances in other countries]</p> <p>Under the Patent Act of Japan (Article 184-12 and Article</p>



	184-19) and the European Patent Convention (Rule 88 of the Implementing Regulations, and Decision of the Board of Appeals T605/93), correction of mistakes in the translation is allowed based on the original international application.
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Issue	Clarification of the relevant laws and regulations concerning the acquisition or use of genetic resources
Clause concerned	No clause in the Draft Amendment of the Implementing Regulations of the Patent Law (Re: Article 5, paragraph 2 of the Third Amendment of the Patent Law)
Summary	<p>[Request]</p> <p>We would like to request that the relevant laws or administrative regulations prescribed in Article 5, paragraph 2 of the Third Amendment of the Patent Law be clearly indicated.</p> <p>[Reasons]</p> <p>Article 5, paragraph 2 of the Third Amendment of the Patent Law provides that no patent shall be granted for any invention-creation made with the use of genetic resources if the acquisition or use of such genetic resources is contrary to the relevant laws or administrative regulations. Such violation of laws or regulations does not only constitute a cause for rejection of the application but also a cause for invalidation of the patent (Rule 67 of the Draft Amendment of the Implementing Regulations). However, the Draft Amendment contains no provision specifying such relevant laws or regulations, under which a cause for refusal or invalidation would be found. Nor does it clearly explain the details of the regulations on the acquisition or use of genetic resources. Due to these problems, patent rights relating to genetic resources would be placed in an unstable situation after the Third Amendment of the Patent Law is put into effect.</p> <p>Therefore, we would like to request that the Implementing Regulations clearly indicate the relevant laws and administrative regulations which stipulate the acquisition and use of genetic resources, and when a new relevant law or regulation is established in the future, it should be promptly added to the Implementing Regulations.</p>

Issue	Clarification of the definition of the phrase “the date on which the patentee or any interested party could have obtained knowledge of the infringing act,” which should be the date from which the prescription for instituting legal proceedings concerning the infringement shall be counted
Clause concerned	No clause in the Draft Amendment of the Implementing Regulations of the Patent Law (Re: Article 68 of the Third Amendment of the Patent Law, Article 137 of the General Rules of the Civil Law)
Summary	<p>[Request]</p> <p>We would like to request that the definition of the phrase “the date on which the patentee or any interested party could have obtained knowledge of the infringing act,” which should be the date from which the prescription for instituting legal proceedings concerning the infringement shall be counted, be clarified, and that the Implementing Regulations include a necessary provision so that the fact that an invention was publicly worked on a small scale within only one district would not be treated as the grounds for the commencement of the prescription.</p> <p>[Reasons]</p> <p>Article 68 of the Third Amendment of the Patent Law provides as follows: “Prescription for instituting legal proceedings concerning the infringement of a patent right is two years counted from the date on which the patentee or any interested party obtains or could have obtained knowledge of the infringing act.” We construe that “[the patentee or any interested party] could have obtained knowledge” means “the patentee, as an ordinary person, should have obtained knowledge of the existence of the infringer and the infringing act.”</p> <p>In the cases basically presupposed under the General Rules of the Civil Law, e.g. a person does not return the thing he/she has borrowed from another, the infringer can be limited to some degree, and there is no practical difference between the “date on which the victim <i>obtained knowledge</i> of the infringer” and the “date on which the victim <i>could have obtained knowledge</i> of the</p>

infringer.” However, unlike such cases, it is difficult to identify a potential infringer of a patent right or any other intellectual property right, and it is not easy to obtain knowledge of the infringing act. As a result, the difference between “*obtained knowledge*” and “*could have obtained knowledge*” would expand depending on the cases.

Needless to say, it would be unfair to a patentee if the prescription for filing a suit against the infringement of his/her patent right runs despite the fact that he/she had no knowledge of the infringing act. The date on which the patentee “could have obtained knowledge” of the infringing act is determined on a case-by-case basis, which would make enforcement of rights unstable.

In cases where an infringing product is placed only on some markets within China, a country of such a vast area, if the date on which said product is placed on the markets is regarded as the date on which the patentee “could have obtained knowledge” of the infringing act, this would impose a great burden on the patentee.

Thus, patents and other intellectual property rights are subject to such special circumstances, that is, it is difficult to identify a potential infringer and it is not easy to obtain knowledge of the infringing act, and therefore the difference between “*obtained knowledge*” and “*could have obtained knowledge*” would expand depending on the cases. In light of such special circumstances, we would like to request that the definition of the phrase “the date on which the patentee or any interested party could have obtained knowledge of the infringing act,” which should be the date from which the prescription for instituting legal proceedings concerning the infringement shall be counted, be clarified, and that the Implementing Regulations include a necessary provision so that the fact that an invention was publicly worked on a small scale within only one district would not be treated as the grounds for the commencement of the prescription.

[Circumstances in other countries]

Under Article 724 of the Civil Code of Japan, the prescription

	shall run from the time when the victim or his/her statutory agent came to know of the damage and the identity of the perpetrator.
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