Overview of CN new patent and copyright law
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Webinars
Speaker’s Bio

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- Current co-chair of the AIPLA’s IP Practice in China committee
- Active (self-proclaimed) member of the Asian Practice committee of the IPO
- Born and educated in Hong Kong with a PhD in chemistry
- The only Chinese patent attorney working in a Beijing Chinese patent firm from Hong Kong
- Trained under the UK system and took the UK CIPA examinations, and passed some of the papers
- Responsible for publishing articles on China IP update for the UK CIPA Journal
- Languages: Chinese (Mandarin and Cantonese), English
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Overview of CN new Patent Law Changes to the law
- CN patent system changes

- CN 4th amendments to the CN Patent Law
- Stop subsidies on patent filings
- Various changes in the CN Patent Examination Guidelines

From https://www.cnipa.gov.cn/
Overview of CN new Patent Law Changes to the law
- CN Patent Law (2020)

- Passed in Oct 2020, effective on 1 June 2021
- US-CN trade agreement - CN committed to adopt many US patent practices
- Patent term
  - Patent term adjustment (due to CNIPA’s delay, PTA)
  - Drug patent term extension (due to drug approval delay, PTE)
  - Design patent term increased to 15 years (from 10 years)
- Partial design allowed
- Compensation for patent infringement
  - Introduces punitive damages
  - Increases statutory damages
  - Ease to prove infringement damages
- Empowering CNIPA to adjudicate patent infringement disputes
- Introducing open license (similar to the UK license as of right)
- Inventor remuneration could be in the form of equity, option or dividend.
- Drug patent linkage
Overview of CN new Patent Law Changes to the law
- CN Patent Rules (*draft*)

- Restoration of priority claim allowed (16 months)
- Incorporation by referencing form priority document allowed
- Further details on PTA and PTE
- License not recorded at the CNIPA cannot confront bona fide third parties.
- Minimum filing requirements no longer specified
- CNIPA can add grounds ex officio at re-examination and invalidation
- CNIPA could adjudicate “important” patent disputes
Overview of CN new Patent Law Changes to the law
- CN stops patent subsidies

- Announced by the CNIPA on 27 Jan 2021
- From **June 2021**, all subsidies for filing patent application should stop
- From 27 Jan 2021, all subsidies for granting of patent should be reduced, and such patent grant subsidies should all stop by **2025**.
- The above subsidies to be stopped do not only include domestic filings in China, but also foreign filings.
- CNIPA stops publishing filing data since Nov 2020
- Affect foreign freedom-to-operate (more freedom)
Overview of CN new Patent Law Changes to the law
- CN patent exam guidelines

- Allow post filing data
  Allow post filing data for demonstrating technical effects recited in the specification

- For computer-related invention
  As long as there is one technical feature in a claim (e.g. a computer processor), then non-patentable subject matter objection should not be raised.

- At applicant’s request
  Examiner has to provide substantive publication evidence for assertion of common general knowledge (CGK).

- Delay for examination
  Delay for examination of up to 3 years could be requested when filing request for examination.
Overview of China’s new Copyright Law
- CN Copyright Law 2020

- Passed in Nov 2020, effective on 1 June 2021
- Better definition of copyright works to encompass audio-visual works, and works on computer
- Better definition of rights of copyright, in light of the internet
- Improved definition of ownership, particularly for joint authorship, and for actors
- Broaden definition of infringement
- Compensation for copyright infringement
  - Introduces punitive damages
  - Increases statutory damages
  - Ease to prove infringement damages
China IP SME Helpdesk

Technology Transfer and IP Contracts in China

Dr. Toby Mak, 31 August
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02 IP contracts involved
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When tech transfer happens

- Incoming and outgoing
- Buying/selling products or receiving/providing services
- Merger and acquisition
- Internally within the group
- Contracted manufacturing
- Research and development (internal, external collaboration)
IP contracts involved

- Employment contract
- Assignment – transferring to another party for good, usually forever
- License – leasing to another party
- Confidentiality agreement
- Research collaboration agreement
- Substantive (e.g. in paper form), or verbal
- Verbal contracts difficult to track and enforce
Contract practice notes

- Contract terms exist to deal when things going south

- Before finalizing the terms, points to consider:
  - Duration of the contract
  - Cool down period
  - Review period
  - Relationship with the contracting parties
  - Power to negotiate/sub-contract/sub-license to another 3rd party
  - What exactly would be involved
  - Who would be doing what
    - Milestone
    - Payment
  - Dispute resolution
  - Termination
Contract practice notes

- Payment

- One lump sum
- Payment based on milestone achievement
- If based on volume, stipulations on auditing
- Expenses
  - Research
  - IP prosecution and maintenance
  - Recordal of IP assignment and/or licence
  - Litigations involving IP
- Trigger to termination (late, none, or insufficient)
Contract practice notes

- Termination

What could trigger termination

- Duration
- Notice (with period specified)
- Breach
  - Payment (late, none, or incomplete)
  - Failure to deliver (need to define)
- Invalidation of IP
- Non-IP litigation (safety, consumer claim)
- Revocation of relevant license / permit / marketing approval
- Event
- Insolvency
- Change of control of party involved
Contract practice notes

- Termination

? What could be required to done at termination

- Back assignment of IP
- Return of information and materials
- Supervised destruction of information and materials
- Public announcement
- Lump sum payment
Exclusive licence

- Two types in China, frequently both translated to “exclusive licence”
- In English, exclusive licence means
  - No one, including the licensor itself, could exploit the IP, except the licensee
  - 独占许可
- Sole licence
  - The licensor and the licensee could exploit the IP
  - 排他许可
- Debates on sole is more exclusive
Questions?

HELPLINE
free, fast & confidential
3 days working

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Your feedback is very valuable info for us.
We appreciate if you could share your comments with us.