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IP UPDATE



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Fast Tracking Patent Applications in China: The 2017 SIPO Measures for Prioritized Examination of Patent Applications

The surge in the number of patent applications has constantly put China in the patent spotlight in recent years. In 2015, the Chinese State Intellectual Property Office ("SIPO") received 1.1 million invention patent applications and it became the first office to receive over 1 million applications in a single year. A steady increase can also be seen with utility models and design patent applications in the past few years.

In view of the strong demand for expedited grant of patent applications, SIPO has released "The Administrative Measures for Prioritized Examination of Patent Applications 专利优先审查管理办法" ("the Measures") in 2017 to streamline the examination of certain patent applications mainly including those related to burgeoning technical fields.

SIGNIFICANCE OF THE MEASURES

SCOPE OF APPLICATION

The Measures which came into effect on August 1, 2017 are intended to replace the similar regulation released in 2012. While the old regulations allowed only prioritized examination for invention patents, the new Measures provide prioritized examination for all 6 matters handled by SIPO, including utility model and design patent applications, re-examination cases and invalidation cases. As commented by Song Jianhua, director of the treaty and law department of SIPO, the new Measures "help form a more comprehensive system for prioritizing patent examinations".

For patent applications and re-examinations, applicants are entitled to apply for prioritization if their patents are related to:

- 1) energy saving, environmental protection, new-generation information technology, high-end equipment manufacturing, new energy, intelligent manufacturing;
- 2) technical fields involving the internet, big data, cloud computing and in sectors with fast evolution in product or technology; and
- 3) industries encouraged and supported by the provincial and city level governments.

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Since these are sectors with fast evolution in product or technology, the new regulations will result in earlier grant of patent applications which are especially valuable to right holders in these fields.

The prioritized examination also applies to patent invalidation where the patent at issue is involved in infringement disputes,

and the parties have consulted local IP offices for settlement, filed lawsuits before people's courts or lodged arbitration or mediation requests before arbitration or mediation organizations. It is anticipated that this would shorten the lengthy and costly court and dispute resolution proceedings and even encourage early settlement of patent disputes.

TIMEFRAME AND PROCEDURE

According to the official SIPO 2016 Annual Report, the average pendency period for substantive examination alone was approximately 22 months for invention patent applications and 3 months for utility model and industrial design applications.

However, according to the Measures, if prioritized examination is approved for a patent application, re-examination or invalidation, there will be specific time limits as set out in the following table for SIPO to meet:

MATTER	TIME LIMIT TO CLOSE THE CASE	OTHER TIME LIMIT
invention patent application	1 year	first Office Action must be issued within 45 days
utility model / design patent application	2 months	/
patent reexamination	7 months	/
invention / utility model invalidation	5 months	/
design patent invalidation	4 months	/

As such, examination by SIPO will be greatly accelerated. This reflects SIPO's effort to implement the State Council's recent requirement of optimizing the business environment and shortening examination and approval periods in order to stimulate market vitality.

POINTS TO NOTE

LIMITATIONS ON EXTENSIONS AND AMENDMENTS

As mentioned above, there will be time limits for SIPO to adhere to if prioritized examination is granted. To further facilitate the acceleration of the examination process, time periods for applicants to respond to office actions will also be shortened. For invention patent applications, a response shall be made within **two months** from the date of issuance of the office action while for utility model or design patent applications, a response is promptly needed within **15 days**. If time extension for

responding to an office action or a notification is requested by the applicant, the prioritized examination procedure will automatically cease and the application will be examined according to the normal timeframe.

Further, prioritized examination procedure will also be terminated if the applicant makes voluntary amendments, or in case of invalidation, the petitioner supplements arguments and/or evidence, or amends the claims.

RECOMMENDATION BY GOVERNMENT AUTHORITIES

Recommendation opinions with official seals from relevant departments of the State Council or the IP office at the provincial level are required for a request of prioritized examination under the regulations. The only exception to this rule is when the invention is conceived in China and the first patent application for the invention is filed with SIPO, then the applicant may file prioritized examination without recommendation by the aforesaid authorities.

This highlights the importance of support from the authorities for obtaining an approval of prioritized examination under the Measures. This is especially important for foreign applicants because whether they can fully benefit from the new regulations

is highly dependent on the ability of their local agents in obtaining the necessary recommendations.

PATENT PROSECUTION HIGHWAY ("PPH")

As applicants under the PPH are already expedited, the new regulations will not apply to the patent applications under examination via this route.

As the PPH among SIPO, the European Patent Office and the Patent Office of Japan, Korea and the United States was recently extended for three years until 2020, any applications made under this program are not entitled to application for prioritized examination procedure contained under the new regulations.