

AMER ASIA ALLIANCE



北京友骐律师事务所
Beijing YOUQI Law Firm

Fast Facts

Founding Firm – Association of U.S. China IP Right Holders

*2012 Boutique IP Law Firm of the year
Amer Asia Law llc*

*Gaoping Ma
2012 Rising Star Award
2012 Managing Partner of the Year
Beijing IP Association*



北京友骐律师事务所
Beijing YOUQI Law Firm

IP Protection in China

Agenda

I. China IP Introduction

II. Laws

III. Enforcement

IV. Trends

V. Q & A



Mr. Gaoping Ma

- **Educational**
 - BS Mechanical Engineering, Tsinghua University, 1993
 - MS Mechanical Engineering, Tsinghua University, 1996
 - Patent Agent license, 2000
 - China National Lawyers license, 2004
- **Professional**
 - Mechanical Engineer, Taiyuan Heavy Machinery 1990 - 1993
 - Patent Attorney, Liu, Shen & Associates, 1997 - 2011
 - Birch, Stewart, Kolasch & Birch llp, 2004
 - 2011, Founded Beijing YOUQI Law Firm

IP Protection in China

I . Introduction

IP Protection in China

II. Laws

Legal Basis

- Article 11 of the Chinese Patent Law
- Article 60 of the Chinese Patent Law



Article 11 of the Patent Law

- After the grant of the patent right for an **invention or utility model**, except where otherwise provided for in this Law, no entity or individual may, without the authorization of the patentee, exploit the patent, that is, **make, use, offer to sell, sell or import the patented product, or use the patented process, and use, offer to sell, sell or import the product directly obtained by the patented process, for production or business purposes.**
- After the grant of the patent **for a design**, no entity or individual may, without the authorization of the patentee, exploit the patent, that is, **make, offer to sell, sell or import the product incorporating its or his patented design, for production or business purposes.**



Article 60 of the Patent Law

- Where a dispute arises as a result of the exploitation of a patent without the authorization of the patentee, that is, the infringement of the patent right of the patentee, it shall be settled through consultation by the parties. Where the parties are not willing to consult with each other or where the consultation fails, the patentee or any interested party may **institute legal proceedings in the people's court, or request the administrative authority for patent affairs to handle the matter**. When the administrative authority for patent affairs handling the matter considers that the infringement is established, **it may order the infringer to stop the infringing act immediately**. If the infringer is not satisfied with the order, he may, within 15 days from the date of receipt of the notification of the order, institutes legal proceedings in the people's court in accordance with the Administrative Procedure Law of the People's Republic of China. If, within the said time limit, such proceedings are not instituted and the order is not complied with, the administrative authority for patent affairs may approach the people's court for compulsory execution. **The said authority handling the matter may, upon the request of the parties, mediate in the amount of compensation for the damage caused by the infringement of the patent right**. If the mediation fails, the parties may institute legal proceedings in the people's court in accordance with the Civil Procedure Law of the People's Republic of China.

IP Protection in China

III. Enforcement



北京友骐律师事务所
Beijing YOUQI Law Firm

Administrative Patent Enforcement

- The local IP Offices are responsible for the administrative patent enforcement.



The Power of the Local IP Offices

- When the IP Office handling the matter concludes that infringement is established, it may order the infringer to stop the infringing act immediately.



The Power of the Local IP Offices

- Said IP Offices handling the matter may, upon the request of the parties, mediate in the amount of compensation for the damage caused by the infringement of the patent right.



北京友骐律师事务所
Beijing YOUQI Law Firm

The advantages of the administrative patent enforcement

- **simple and quick.**
- **less costly**



The disadvantages of the administrative patent enforcement

- **weak**
- The judicial means is final.

Judicial Patent Enforcement

- grade jurisdiction
- Territorial jurisdiction



Grade Jurisdiction

The first instance case of patent controversy shall be under the jurisdiction of the **intermediate people's courts** of the places where the people's governments of provinces, autonomous regions and municipalities directly under the Central Government are located, and of the intermediate people's courts appointed by the Supreme People's Court.



Territorial Jurisdiction

- A lawsuit brought for infringement of patent rights shall be under the jurisdiction of the people's court located in the place where **the infringing act took place or where the defendant is domiciled.**



Calculation of the damages

- The amount of compensation for the damages caused by the infringement of the patent right shall be assessed on the basis of the **actual losses suffered by the patent right holder** because of the infringement; where it is difficult to determine the actual losses, the amount may be assessed on the basis of **the profits the infringer has earned** because of the infringement. Where it is difficult to determine the losses the right holder has suffered or the profits the infringer has earned, the amount may be assessed by reference to the appropriate **multiple of the amount of the exploitation fee of that patent under a contractual license**. The amount of compensation for the damage shall also include the reasonable expenses of the right holder incurred for stopping the infringing act.



北京友骐律师事务所
Beijing YOUQI Law Firm

IP Protection in China

IV. Trends



Chinese Patent Protection Update

- The number of the patent applications and the grants in China illustrate rapid growth in recent years.
- large amount of valid patents in China
- Patent infringement disputes are increasing rapidly



China is amending the Patent Law for the fourth time

- Giving the judicial and the administrative enforcement organs the right **to investigate and collect evidence to solve** the problem of “the difficulty of the burden of proof”.
- Giving the patent administrative enforcement authorities the function of **the determination of the amount of infringement compensation** to solve the problem of "long cycle" of patent right remedy. Related amendments are shown in Articles 60 and 65.



China is amending the Patent Law for the fourth time (con'd)

- Defining the time of the decision on the invalidation request taking into effect and follow-up procedures, to solve the problem of "long cycle" of patent right remedy. Related amendments are shown in Articles 46 and 60.



China is amending the Patent Law for the fourth time (con'd)

- Establishing a system of punitive damages for intentional infringement, solve the problem of "low compensation".
- Giving to the patent administrative departments the function of investigating, handling and deterring the vicious infringements to resolve the problem of "the high cost, poor results" of patent right protection.



China is amending the Patent Law for the fourth time (con'd)

- Defining the function of the patent administration department under the State Council to investigate and handle the patent infringement cases that have a significant nation-wide impact.

Conclusion

- As the Chinese government has been trying hard to enhance the patent right protection, we can see much improvement in the patent enforcement environment, and it is more and more worthwhile to file patent applications in China, and the patent enforcement action may get more reward.

Questions & Answers



北京友骐律师事务所
Beijing YOUQI Law Firm

For more information:

Gaoping Ma

info@yqlaw.cn

Founder and Managing Partner

Beijing YOUQI Law Firm

No. 2409 Jinyuan Bldg, 36 Beiyuan Rd.,
Chaoyang Dist., Beijing, China 100012