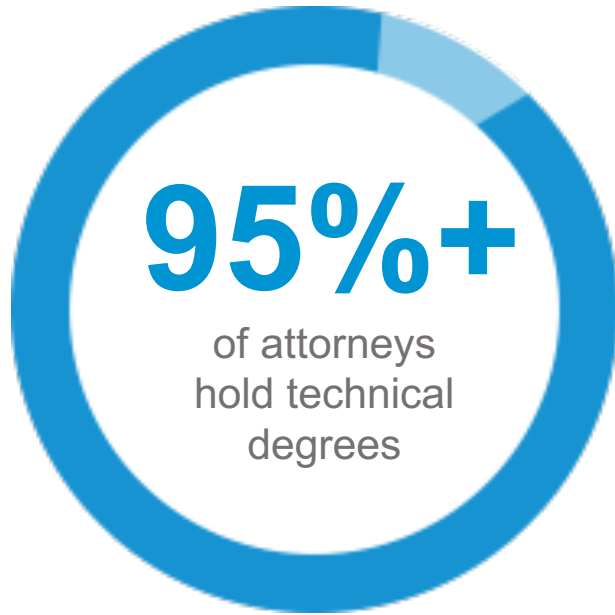


Introduction to Knobbe Martens

October 27, 2020

Vlad Teplitskiy

Knobbe Martens Profile



Global Practice



through large network of
Foreign Associates



Offices Nationwide

Orange County
Los Angeles
New York
San Diego
San Francisco
Seattle
Washington D.C.

200 Highest number of registered
patent attorneys in the US
practicing across a **vast array** of industries

250+ lawyers &
scientists

All our attorneys are **focused only on intellectual property and technology law**
as opposed to general practice firms that have smaller IP departments

Knobbe Martens Is a Full Service IP Firm

Patents

- Design Patents
- Global Portfolio Management
- Patent Prosecution
- USPTO Ex Parte Patent Proceedings

Litigation

- Appellate Practice and the Federal Circuit
- Arbitration and Other ADR
- Complex/Joint Defense Litigation
- Consumer Electronics Litigation
- Consumer Products Litigation
- Copyright and Design Patent Litigation
- ITC Litigation
- Nationwide Litigation
- Trade Secret Litigation
- Trademark and Unfair Competition Litigation
- Trials

USPTO Trials & Post-Grant Proceedings

- Covered Business Methods
- Derivation Proceedings
- Inter Partes Review
- Patent Interferences
- Post-Grant Review

Trademarks & Brand Protection

- Domain Name and Website Content Disputes
- International
- Trademark Clearance, Registration and Enforcement
- TTAB Proceedings

Data Privacy & Security

- Audits
- Breach Preparedness and Response
- Compliance with Federal, State and International Laws
- Marketing and Behavior Analytics Compliance
- Privacy by Design
- Privacy Policies and Notices

Copyrights

IP Strategy

- Due Diligence
- Opinions and Counseling

IP Transactions and Agreements

Importance of Working with Trusted Foreign Partners

- Review of specification and claims prior to filing
- Assistance with best practices for local jurisdictions (e.g., deferral of costs, divisional strategy, assignments and other formal matters, etc.)
- Reduction of miscommunications and bad news (e.g., appeals, divisionals, extensions, etc.)
- Matching of competence in IP and technology
- Direct contact to the person managing a case
- Proactive prosecution (e.g., expedited examination, examiner interviews, etc.)
- Sharing of ideas (e.g., new legal and practical developments)

Result: value for money for our clients

Questions?

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Brief of the Fourth Revision to the Chinese Patent Law

Uni-intel Patent and Trademark Law Firm
2020.10

1984: Chinese Patent Law first legislated

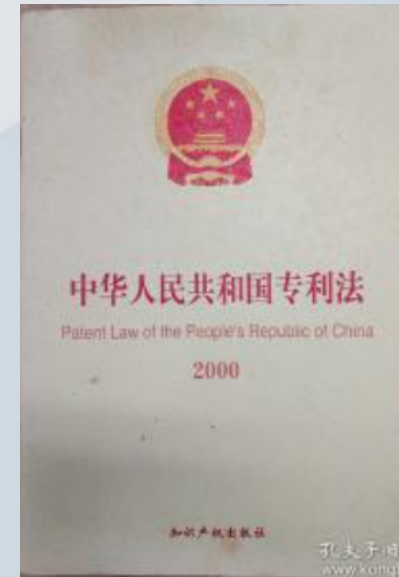
1992: First Revision ▼

- 1) Medicines, food, beverage, condiment and substances produced by chemical processing are patentable;
- 2) Terms of patent for Invention extended from 15-year to 20-year; Utility model and Design from 8-year to 10-year;
- 3) Replacing pre-grant opposition procedure with post-grant cancellation procedure.



2000: Second Revision ▼

- 1) Offering for sale as one of the infringement behaviors;
- 2) Use or sale in good faith is also an infringement but can be free of damage under certain conditions;
- 3) **Three ways for calculating damages;**
- 4) Cancellation procedure finally abandoned (all subject to invalidation procedure); and
- 5) Appeal to validity of utility models and designs can go to court.



2008: Third Revision ▼

- 1) **Novelty standard** from “relative” to “absolute”;
- 2) “Relevancy” design system added;
- 3) 2-D printings is not design-patentable if it is only for labeling;
- 4) Prior art defense admitted;
- 5) Parallel import expelled from infringement;
- 6) Bolar exception admitted;
- 7) **Statutory damages**: CNY10,000 up to CNY1,000,000; and
- 8) “**First filing in China**” of any inventions or utility models made in China cancelled and foreign filing license needed.



2020: Fourth Revision – A Hard Journey

- 1) Term for design patent extended from 10 years to 15 years;
- 2) Partial design will be allowed and Domestic priority for design is available;
- 3) Term of invention patents may be extended if prosecution is delayed; Term of invention patents related to innovative pharmaceuticals may also be extended;
- 4) Abuse of patents in bad faith may take legal consequences by Anti-unfair Competition Law or Anti-trust Law;



Brief Introduction to the Fourth Revision

- 5) Statutory damages changed from “CNY10,000 up to CNY1,000,000” to “CNY30,000 up to CNY5,000,000”;
- 6) Punitive clause added to punish deliberate infringement: 1 to 5 times multiplied by the damages;
- 7) Damage-related liabilities imposed to infringers for not submitting or hiding evidence;
- 8) Pharmaceutical Patent Linkage System being preliminarily established;



Brief Introduction to the Fourth Revision

9) Non-prejudicial disclosure will be adopted to a National emergency situation due to which an innovation is disclosed publicly for the first time; and

10) Open-license system added.



Thank You!

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2012.08	CNIPA announcing a draft of the 4 th Revision to the Patent Law for public opinion.
2013.01	A revised draft being reported to the State Council for review.
2014.01	CNIPA restarting a brand new draft of the 4 th Revision.
2015.07	The new draft being reported to the State Council for review.
2015.12	The Legislative Affairs Office of the State Council announcing the new draft for public opinion.
2018.12	The State Council approving the final draft of the 4 th Revision and submitting it to the People's Congress (NPC).
2019. 01	The NPC announcing a further revised draft for public opinion (first reading).
2020.06	The NPC announcing a yet further revised draft for public opinion (second reading)*.
2020.10	The second reading version being submitted to the NPC Standing Committee for deliberation.

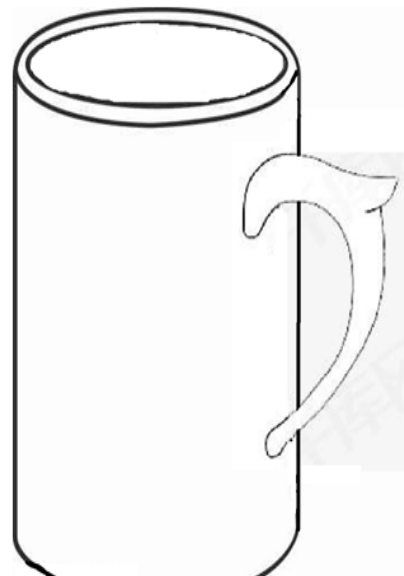
Ratified by the NPC on Oct. 17th, 2020
Will take effect as of June 1st, 2021



Current Design practice:

1) **ineligibility:** any component part cannot be partitioned or sold or used independently.

2) **Similarity:** Overall Observation and Comprehensive Judgment.

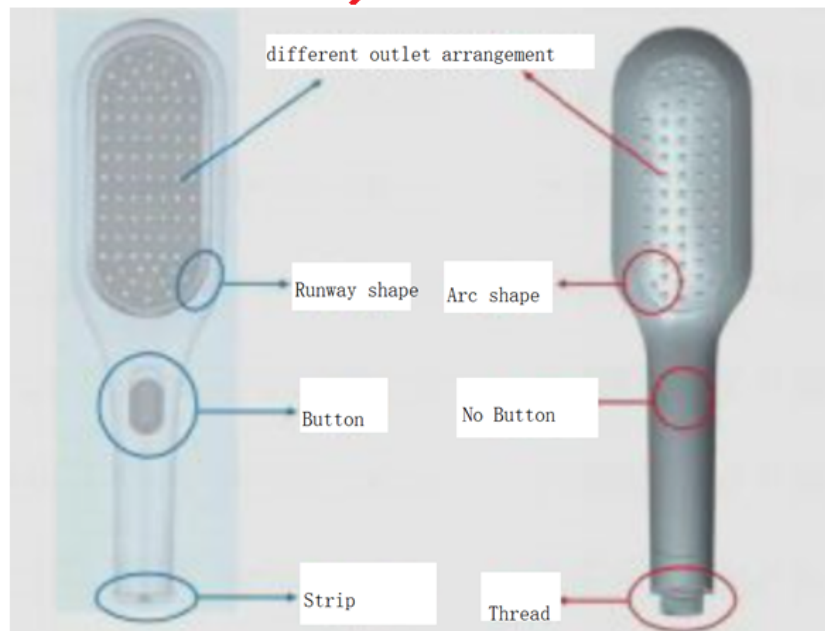


Grohe's design patent

Accused Sprinkler



No infringement



Grohe's design patent

Accused Sprinkler

If an invention patent has been granted ^①after four years from the filing date of the invention patent application **AND** ^②after three years from the request for substantive examination, the CNIPA may, ^③upon a request from patent owner, make a decision to extend the duration of invention patent to compensate for the unreasonable delay in prosecution of the invention patent, ^④except for the unreasonable delay caused by the applicant. (Patent Term Adjustment)

The CNIPA may, ^①upon a request from patent owner, make a decision to extend the duration of invention patents for ^②innovative pharmaceuticals which have been approved for ^③marketing in China, to make up the time used for drug approval, and the extension period shall ^④not exceed five years **AND** the net effective duration of such innovative pharmaceuticals which have market launches shall ^⑤not exceed fourteen years. (Patent Term Extension)

To carry out first phase agreement between China and US



Applying for a patent and exercising of patent rights shall abide by the principle of **good faith**. Abuse of patents shall not be allowed to harm public interests or others' lawful rights.

Any abuse of patent rights, which exclude or restrict competitions thus constituting monopolies shall be dealt with in accordance with the Anti-monopoly Law of the People's Republic of China.

Bad faith?

Case 1: Tongfa obtained a patent for an industrial standard



Case 2: Sifang sued defendant with claims already abandoned



Case 3: John Deere's employee obtained a design patent for an already used packing



Case 4: Venar lodged a design infringement action but the design was invalidated



2013 Milestone case: *Huawei Vs. InterDigital Technology Corporation*

IDC failed to follow the Rule of FRAND for its SEP patents

Anti-monopoly investigation conducted



Where it is difficult to determine the ①losses suffered by the patentee, ②the profits which the infringer has earned through the infringement and ③license fees as reference, the people's court may set an amount of compensation of no less than RMB 30,000 and no more than RMB 5,000,000 in light of factors such as the type of the patent right, the nature of the infringing act and the circumstances.

Type: Invention, Utility Model, Design ?

Nature: Manufacturing, Using, Selling, Offering-to-sell, or Importing?

Circumstances: repetitive infringement, willful infringement, or possible high damages?



The amount of compensation for the damage caused by the infringement of the patent right shall be assessed on the basis of the losses suffered by the patentee or on the basis of the profits which the infringer has earned through the infringement. If it is difficult to determine the losses suffered by the patentee or the profits earned by the infringer, the amount may be assessed by reference to the appropriate multiple royalties of that patent under contractual license.

For **willful** patent infringement with **serious circumstances**, the amount of damage compensation shall be determined ranging from **one to five times** of the amount of compensation determined by the above methods.

Willful?

1) Repetitive infringement; 2) infringement after a license is terminated; 3) conspiracy...

Serious Circumstances?

1) Long time infringement; 2) Broad ranges; 3) considerable loss; "professional" infringer;...



Simplified “Hatch-Waxman Act” in China

During the administrative reviewing and approving process for a drug to be marketed, applicant for the market approval of the drug, the relevant patent owner, or the interested party may file a lawsuit before the people’s court to determine whether the relevant technical solutions of a drug in market approval application fall within the scope of protection of the relevant patent rights. The CDA shall make a decision within a **stipulated term?** on whether or not the market approval is to be suspended based on an effective court decision.

Applicant for the market approval of the drug, the relevant patent owner, or the interested party may also apply for an administrative ruling with regard to the patent dispute involved.

The CDA shall work with the CNIPA jointly to formulate specific linkage measures for drug market approval and resolution of patent disputes at the stage of market approval applications, and shall implement **such measures?** after being approved by the State Council.



In order to determine the amount for compensation, under the circumstances in which the right holder has endeavored to present evidence, and the related account books or materials are mainly in control by the accused infringer, the people's court may order the accused infringer to provide account books and materials relating to the infringing conduct; if the accused infringer **does not provide or provides false account books or materials**, the people's court may refer to the right holder's claims and evidence to rule on the amount of compensation.

Plaintiff's Burden of Proof vs. Shifting Burden of Proof



Within six months before the filing date of an application, an invention for which an application is filed for a patent does not lose its novelty under any of the following circumstances:

- (1) It is publicized for the first time for public interest purposes in time of **national emergency or exceptional circumstances**;
- (2) It is exhibited for the first time at an international exhibition **sponsored or recognized** by the Chinese Government;
- (3) It is published for the first time at a **specified academic or technological conference**; and
- (4) Its contents are divulged by others **without the consent of the applicant**.

Conditions:

- 1) Any of the four situations happened within 6 months before the filing date;
- 2) Submitting a statement at the same time when filing a patent application in China;
- 3) Submitting evidential materials (late filing is available).



If the patentee **declares in writing** to the CNIPA that he/it is willing to license any party to implement its patent and specify the payment methods and standards of royalties, it shall be announced by the CNIPA and execute **“open license”**...

In case where such declaration is withdrawn, a written withdrawal declaration shall be submitted to the CNIPA for announcement. The validity of such open license before the withdrawal shall not be affected.

Any entity or person willing to implement the open licensed patent may obtain the open license by **sending a written notice** to the patentee and paying the **standardized license fee according to the announcement**.

During the open license period, fees of the annuities for the patent related shall be reduced or waived.

During the open license period, the patentee may also negotiate with the licensee for royalties and grant a general license, but shall **not grant an exclusive or sole exclusive license** in respect of the patent...

