SIPO Issues Detailed Draft Guidance for Patent Administrative Enforcement in China

October 30, 2015


This Draft is designated to provide detailed implementation rules for the Measures on Patent Administrative Enforcement (the “Patent Administrative Measures”), the latest amendment of which became effective on July 1, 2015. The Patent Administrative Measures were promulgated to strengthen SIPO’s power to enforce patentees’ rights through its administrative proceedings and to attract more patentees to seek protection from SIPO, as an alternative to court litigation. To learn more about the Patent Administrative Measures, please refer to our e-alert here.

Before the Draft, there was no public systematic rule providing clear guidance for patent administrative proceedings. Overall, the Draft streamlines and increases the transparency of patent administrative proceedings. It addresses basic principles, patent infringement proceedings, patent counterfeiting proceedings, mediation of patent disputes, cooperation across different administrative regions and governmental departments, and mechanisms for handling infringement disputes arising from e-commerce, etc. We hereby briefly introduce the key rules provided by the Draft.

I. Jurisdiction

The level jurisdiction of SIPO and its local counterparts (collectively “IP Offices”) is divided by their administrative levels.1 Similar to the system in the Civil Procedure Law, IP Offices at the municipal level2 are responsible for ordinary patent administrative cases within their administrative regions,3 while some IP Offices at the county level may also have such power if they are so specially authorized.4 For significant, complicated cases or cases of huge influence within a province, they will go to the sphere of IP Offices at the provincial level.5 For cases having nation-wide significant influence, SIPO may handle them where necessary.6

The territorial jurisdiction rules are slightly different for different types of patent administrative cases, as briefly shown in Chart 1.

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1 Draft, Article 1.2.1, Chapter 1.
2 In China, municipal level is the governmental administrative level immediately superior to the county level.
3 Draft, Article 1.2.1, para 4, Chapter 1.
4 Draft, Article 1.2.1, para 5, Chapter 1.
5 Draft, Article 1.2.1, para 2, Chapter 1.
6 Draft, Article 1.2.1, para 1, Chapter 1.
II. Infringement

Chart 2 below is the flowchart for patent infringement administrative proceedings based on the Draft, which is similar to a patent litigation before a court in China. If there is a pre-existing patent civil litigation or pre-existing arbitration agreement between the parties, an IP Office would not accept a patent infringement administrative case. 9

A mechanism valuable to patentees is the site investigation, or factory investigation. 11 According to the Draft, IP Offices may conduct a site investigation either by application from a patentee or on its own decision. Officials from IP Offices can take the following actions during the site investigation: 12

1. Review, copy contracts and account books relating to the case;
2. Make inquiries of parties and witnesses about the case;
3. Inspect the site by measuring, taking photos, camera shooting, etc.;
(4) Inspect sample products; and
(5) May require the defendant to show how disputed products are produced when a process patent is in dispute.

If site investigations can be strictly implemented in practice pursuant to the Draft, it would be advantageous for a patentee to collect evidence of infringement and damages which are usually difficult to obtain in China.

III. Counterfeiting

Patent counterfeiting proceedings can be initiated based on the filing of a complaint or IP Offices’ own discovery of counterfeits. A case should be initiated within ten working days from receipt of the complaint, or five working days from discovery of the illegal activity. IP Offices collect evidence by themselves during the patent counterfeiting proceedings. If IP Offices decide to confiscate illegal gains or impose administrative fines upon defendants, a hearing may be held. The patent counterfeiting proceedings will be closed within one month from the date when the case is officially initiated, extendable to another 15 days (periods for the hearings are not included). The decision should be published within 20 working days.

IV. Speedy Procedure for E-commerce Disputes

For infringing/counterfeiting products sold through e-commerce channels, a patentee may seek protection through the above-mentioned patent infringement proceedings or patent counterfeiting proceedings. In addition, the Draft specifically provides a speedy dispute resolution mechanism to resolve e-commerce infringement/counterfeit disputes, remedies of which include deleting, blocking, disconnecting or shutting down the online stores. According to the Draft, such disputes transferred from e-commerce platforms shall be generally closed within eight working days under mediation in charge by IP Offices or infringement opinions may be issued within two working days for simple cases, much shorter than the three-month standard time limit for a normal patent infringement proceeding.

V. Other Issues

The Draft provides a convenient and favorable method for patentees to file a complaint, i.e., a patentee could firstly file the complaint with the IP office where it is located, although such IP office may not have jurisdiction. The IP office where the patentee is located would then transfer the complaint to the relevant competent IP office.

The Draft further provides a mechanism for cooperation and coordination within SIPO, which will

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13 Draft, Article 3.1.1, Chapter 3.
14 Draft, Article 3.1.3, Chapter 3.
15 Draft, Section 2, Chapter 3.
16 Draft, Article 3.4.3, Chapter 3.
17 Draft, Article 3.5.3, Chapter 3.
18 Draft, Article 3.6.3.3, Chapter 3.
19 Draft, Section 1, Chapter 6.
20 Draft, Article 6.2.6, Chapter 6.
21 Draft, Article 6.2.5.1, Chapter 6.
22 Draft, Article 6.2.5.2, Chapter 6.
23 Draft, Section 1, Chapter 5.
promote cooperation between IP Offices located at different provinces. The Draft also sets forth 
the inter-department cooperation and coordination mechanism with other departments such as 
public security bureaus, industrial and commercial bureaus, copyright bureaus, and customs. Such mechanism 
will be beneficial for resolving patent infringement/counterfeiting issues completely and efficiently. However, it is difficult to predict how well other government departments will cooperate with IP Offices on patent-related issues since the Draft is issued by SIPO only, without the involvement of other government departments at the central level.

To conclude, the Draft will enhance SIPO’s role in China’s intellectual property enforcement regime. With transparent, fast-paced proceedings, and improved cooperating mechanism among different IP Offices as well as different government departments, it is expected that more and more patentees will consider SIPO as an alternative venue to protect their patent rights in China. Both foreign and domestic companies as well as industry associations are advised to pay attention to the development of the Draft as it may have important implications for patentees in China. Those with significant interest in China may seek to submit comments to SIPO before November 10, 2015 to ensure that their interests are taken into consideration.

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Draft, Sections 1-5, Chapter 5.
Draft, Section 6, Chapter 5.