Helpdesk News

COMPLETED EVENTS round-up

The China IPR SME Helpdesk held a total of 25 events in October, November and December. These took place in France, Belgium, Germany, Czech Republic, Spain, and UK in Europe, and Guangzhou, Beijing, Chengdu, Taicang, and Shanghai in China. The Helpdesk also held four webinars that attracted attendees from 19 EU countries and China.

New Helpdesk GUIDES

The Helpdesk has launched two new IP guides: ‘IPR Protection for the Clean Technology Sector in China’ and ‘IPR Systems: China/Europe Comparison’. These include practical information and useful tips for EU businesses in China. Look out also for upcoming Helpdesk guides ‘Using Contracts to Protect IPR in China’ and ‘IPR Protection for R&D in China’ to be released in early 2012. Download these guides free of charge from our website here in the coming weeks.

Listen to our WEBINARS

November and December were busy months for webinars with four new sessions being held. In November Helpdesk Team Leader Simon Cheetham provided practical tips and recommendations for EU SMEs attending trade fairs in China (15 November), and expert Troy Rice then gave a presentation on IPR protection for the Food and Beverage industries (24 November). In December’s sessions, Troy Rice presented methods and considerations for how to effectively use contracts in China to protect IPR (7 December), and expert Stacy Yuan specifically addressed IPR in China for EU SMEs in the Textile industry (15 December).

130+ active EU SME participants joined us from across China and 19 EU Member States for these sessions. The recordings of all webinars and presentation slides can be downloaded here. Look out for our upcoming webinars on IP protection in 2012!

New Helpdesk E-LEARNING MODULE

In December 2011 the Helpdesk created the 6th E-learning module which follows a European SME through the process of establishing technology transfer to China and demonstrates common pitfalls and the key considerations to be made. Chapters include: The First Steps, The Right Partners, Structuring your Transfer, Contracts, and Checklists. Each chapter contains an interactive quiz to test the reader’s learning. See below images for a preview of the module, and stay tuned at the Helpdesk’s E-learning module web page for its release in mid-January.

UPCOMING EVENTS round-up

- Online IPR Protection Webinar: 15 February 2012 (date TBC).
- Agoria Seminar: Brussels, Belgium, 12 March 2012 (date TBC).
- IPR Protection for the Pharmaceutical Industry Webinar: date TBC.
- IPR Protection for the Medical Devices Industry Webinar: date TBC.

(Click here to visit the ‘Events’ page on our website for more details).
Chinese Utility Model Patents (Overview)

In 2010, over 340,000 Chinese utility model patents (UMs) were granted, however, only about 2,200 of these were granted to foreigners (a UM can be registered in the name of a person or entity). Chinese entities seek to register UMs much more actively than foreign entities, but these can be very valuable. The highest recorded patent infringement compensation awarded by the Chinese People’s Court of 330 million RMB (about 50 million Euros) was based on a UM registration in the case Chint v. Schneider.

Who uses the utility model system?
UMs are not unique to China. In fact, there are more countries in the world that have a UM system than those that do not. European Union Member States with the UM system include Austria, Belgium, Denmark, Finland, Germany, Italy, and the Netherlands, among others. Notably, the USA and the UK do not have a UM system.

Why consider utility model patents in your business strategy?
In addition to being cheaper to register, UMs can be a faster way to protect your inventions. Their primary purpose is to provide patent protection for inventions with a short commercial life. In China, UMs are typically granted 10 to 18 months from the Chinese filing date. This is far quicker than the 3 to 6 years required for invention patents (which are similar to UK patents or European patents).

Therefore, a common practice under the Chinese system is the parallel filing of a UM and an invention patent, followed by the abandonment of the UM once the invention patent is officially granted. The applicant can benefit from the early patent protection granted by the UM, as well as the longer term protection granted by the invention patent (once eventually approved). Please note that these parallel applications must be filed on exactly the same day, and both applications must be accompanied by a declaration that a parallel filing was made.

Utility model patents and invention patents: what’s the difference?
The following are the most important differences between UMs and invention patents:
1) Subject matter – UMs only protect products with new shape/structural physical features. For example, methods of production or chemical compounds are not eligible as they do not have a shape or structure.
2) Inventiveness – although invention patents in literal terms require a higher ‘inventiveness’, in practice there is no difference.
3) Examination – UMs only require the ‘formality examination’ or ‘preliminary examination’, while invention patents require ‘substantive examination’, which takes longer and is much more detailed. Grounds for objections at preliminary examination are also different.
4) Term of protection – the maximum term of protection for a UM is 10 years from the filing date, while an invention patent lasts 20 years.

Although there are a number of differences, UMs and invention patents share many common features as well, the most important of which are listed below:
• Protection requirements*
  o There are specific disclosure requirements (on sufficiency, support, and clarity)
  o Novelty*
  o Industrial applicability*
• Scope of protection:
  o Interpretation of the protection scope of the patent
  o Grounds for invalidation
• Enforcement possibilities:
  o Compensation for infringement
  o The right to forbid any other person from practicing the invention for operation or manufacturing purposes without the patentee’s consent is granted

Because the patentability requirements on invention patents and UMs are the same, if an invention patent is found to be invalid, then the corresponding UM (if it exists) will be invalid as well.
**Take-Away Message**

While in principle UMs are extremely similar to invention patents, they can often be essentially a faster, cheaper and easier alternative (if all application requirements are met), but one which offers a shorter IP protection term. UMs are a form of patent in China that is often overlooked by foreign entities, but which can be a powerful tool to protect your IPR when used effectively, usually in conjunction with other forms of IPR such as invention patents. UMs should therefore be considered by SMEs as part of their IP strategy in China.

*Author: Toby Mak, Tee & Howe Intellectual Property Attorneys  
©2011*