- Digital Open Forum: November 4, 2020; 14:30 – 15:45 CET -

Breaking News!

Introduction

Content:

- One of the many challenges facing patent practitioners is **keeping up to date** with the many changes to patent laws and practices occurring around the world at what seems to be an ever-increasing pace.
- Recognising that it is impossible to predict what will happen **between preparing the program for the Forum and the Forum** itself, this session will update delegates on the latest developments around the world right up to the day of the session.
- A panel of experts will **summarise the most recent critical developments** in the patent field that
  - **every practitioner should know about**,
  - explain their **significance**, and
  - suggest how clients can either **take advantage** of them ***or*** **minimise** potential adverse effects.

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Country of practice

Brazil

Content (1)

Topics will be:

- North America (about 12 Minutes)
  - CA
    Yves Choueifaty v. Attorney General of Canada (21 August 2020) and the fallout
  - US
    USPTO Guidance of 18 August 2020 re AAPA ("Applicant's Admitted Prior Art") during **Inter Partes Review** (IPR)
  - MX
    Implementation of **Mexican Federal Law for the Protection of Industrial Property** (LFPPI) to be implemented on 5 November 2020

- South America (about 12 Minutes)
  - **Fast Track Examination** for Patent Applications **related to COVID-19**
  - Patent **Pre-Examination Procedure** in Brazil and the backlog
  - **Industrial Design** in Brazil

Content (2)

- Europe (about 12 Minutes)
  - Overview (7 minutes)
    a) "To be or not to be": The current status of the **UPC and Unitary Patent**: System
    b) „The Long Good Bye": Impact of the **Brexit** on the European and UK patent systems
    c) „Straighten Up and Fly Right": The new challenges applicants/patentees posed to by the **EPO** in prosecution, opposition and (especially) appeal proceedings
    d) Eventually, national breaking news from **UK, FR, IT** and **AT**.
  - Focus on Germany (5 Minutes)
    a) The **UP/UPC and the German development**
    b) Hearing of Counterparty in urgent **preliminary** ruling **procedures**
    c) Second **Patent Law Modernization Act**
    d) Lack of protection of the underside of a bicycle saddle **design**

Content (3)

- Asia (about 12 Minutes)
  - CN
    a) Introductions of the **4th Revision** of the Chinese **Patent** Law
    b) Introductions of a **Series of Judicial Interpretation**, **Provisions**, Official Reply of the **Supreme People's Court** issued recently
    c) Introductions of Some Issues on the Amendments of **Guidelines** for Patent Examination
    d) Introductions of **Recent Trends** of Patent Examination in China

Q&A (about 10 - 17 Minutes)

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“Breaking News” of North America

Presented by Sterling Fillmore

North America

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Canada

Yves Choueifaty v. Attorney General of Canada

- Decided 21 August 2020
- Overrules the Canadian Intellectual Property Office's (CIPO) current examination guidelines relating to patentable eligible subject matter.
- First decision relating to patent eligible subject matter in Canada in 7 years.
- Bodes well for software-related patent applications.

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Canada

Yves Choueifaty v. Attorney General of Canada

- Current CIPO examination guidelines have been hostile to computer-related inventions that do not relate to improvements in the function of the computer itself, and particularly to “business methods”.
- CIPO guidelines construe the claims using a “problem-solution” approach that requires an identification of the “essential” elements of the claims.
- After identifying both the problem and the solution provided by the application, the “essential” element of the claims are determined by the examiner as those elements that are necessary to achieve the solution to the problem.

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Canada

Yves Choueifaty v. Attorney General of Canada

- Under current CIPO guidelines, if the invention does not relate to the solution of a “computer problem” (i.e., making the computer work better), the question of whether the computer is essential is assessed by determining whether the computer is used merely to expedite steps that could (theoretically) be done with pen and paper or mentally, in which case the computer is considered to not be essential to the claim.
- Claims not directed to the technical operation of a computer (e.g., business methods, diagnostic methods, or dosage regimes) are generally found to be non-statutory due to the computer being “non-essential.”

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Canada

Yves Choueifaty v. Attorney General of Canada

- But the Supreme Court of Canada had earlier established a two-branch test for determining whether a claim element is essential, and the second branch provides an element can be found essential "according to the intent of the inventor, expressed or inferred from the claims, that a particular element is essential irrespective of its practical effect."
- Decision expressly overrules CIPO's guidelines based on the problem-solution approach to determine the essential elements without considering the second branch of the test: the intent of the inventor.

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Canada

Yves Choueifaty v. Attorney General of Canada

- Will likely provide more certainty in determining subject matter eligibility.
- Will likely be appealed.
- Reports of examination of software-related applications at CIPO having been suspended.
- Practice tips for Canada:
  - Make intent of inventor clear in application that the computer is an essential element—express statements.
  - Maintain applications in good standing.

*Special thanks to Alex Ross of Gowling WLG *

United States

USPTO Guidance of 18 August 2020 re AAPA

- During examination at USPTO, Applicant's Admitted Prior Art (AAPA) can be the basis for an anticipation or obviousness-based rejection.
- AAPA includes statements made by the applicant in either the specification or during examination that identifies the work of another as "prior art" even if such "prior art" would not be available as prior art under statute.

United States

USPTO Guidance of 18 August 2020 re AAPA

- By statute, Inter Partes Review (IPR) may be instituted by the USPTO Patent Trial and Appeal Board (PTAB) only “on the basis of prior art consisting of patents or printed publications.”
- Previous inconsistent treatment by PTAB of AAPA in IPR decisions:
  - Some decisions permitted AAPA as the basis for instituting an IPR as “prior art” located within a “patent”.
  - Other decisions treated AAPA only as evidence of general knowledge of a person of ordinary skill in the art.

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United States

USPTO Guidance of 18 August 2020 re AAPA

- USPTO Guidance clarifies that AAPA cannot be the “basis” of an IPR under either anticipation or obviousness.
- But based on an obviousness analysis, AAPA may be used as evidence of the “general knowledge” possessed by one of ordinary skill in the art, in conjunction with the prior art.
- Permissible uses of “general knowledge” from AAPA in determining obviousness in an IPR may include:
  - supplying missing claim limitations,
  - supporting a motivation to combine references, and
  - demonstrating the knowledge of one of ordinary skill in the art.

United States

USPTO Guidance of 18 August 2020 re AAPA

- Practice Tips for US:
  - There is no requirement in the US to cite or discuss the closest prior art in the specification.
  - Remember: “Anything you say can and will be used against you.”
  - Don’t “tee up” an obviousness-based rejection for the US examiner: if you describe the prior art in the background, make a pre-emptive case against the disclosed invention being an obvious build-off from the AAPA.

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Mexico

Federal Law for the Protection of Industrial Property

- Takes effect 5 November 2020
- Affects patents, trade secrets, trademarks, and litigation and enforcement.
- Implemented to harmonize and adapt the Mexican IP framework to the obligations under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the United States-Mexico-Canada Agreement of 2020.

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Mexico

Federal Law for the Protection of Industrial Property

- Substantive changes:
  - Protection period for utility models increased from 10 to 15 years—helpful for mechanical or electrical PCT applications that do not meet inventive step requirement.
  - Double patenting of the same invention is expressly prohibited.
  - Divisional patent applications now allowed with the explicit authorization of the examiner.
  - Supplementary certificates are available to adjust patent term for delay by Mexican Patent Office for applications pending for greater than 5 years, with adjustment calculated based on the Office's inactivity, equal to half the number of days of such delay up to 5 years maximum.

Mexico

Federal Law for the Protection of Industrial Property

- Substantive changes (continued):
  - Trademark and patent owners may suspend the transit of goods in customs matters.
  - Recordation of license agreements no longer mandatory.
  - New felony defined for misappropriation, use, or disclosure of an industrial secret with the purpose of causing damage or obtaining an economic benefit.
  - Validity of trademarks, trade names and slogans extends to 10 years from the registration date, whereas before, the validity was counted from the filing date.

Special thanks to Karla Islas of Herrero & Asociados

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DANNEMANN SIEMSEN

Breaking news - of South America!

Mariana Mostardeiro | mmostardeiro@dannemann.com.br

October 25, 2020

DANNEMANN SIEMSEN

Breaking news!

Mariana Mostardeiro | mmostardeiro@dannemann.com.br

October 25, 2020

1. Fast Track Examination for Patent Applications related to COVID-19:

- Launched on **April 07, 2020**.

- **Eligible technology:** Patent applications covering inventions related to pharmaceutical products, processes as well as materials, apparatus or devices that can be used on the diagnosis, prophylaxis and treatment of the symptoms of the COVID-19.

- **Requirements:**

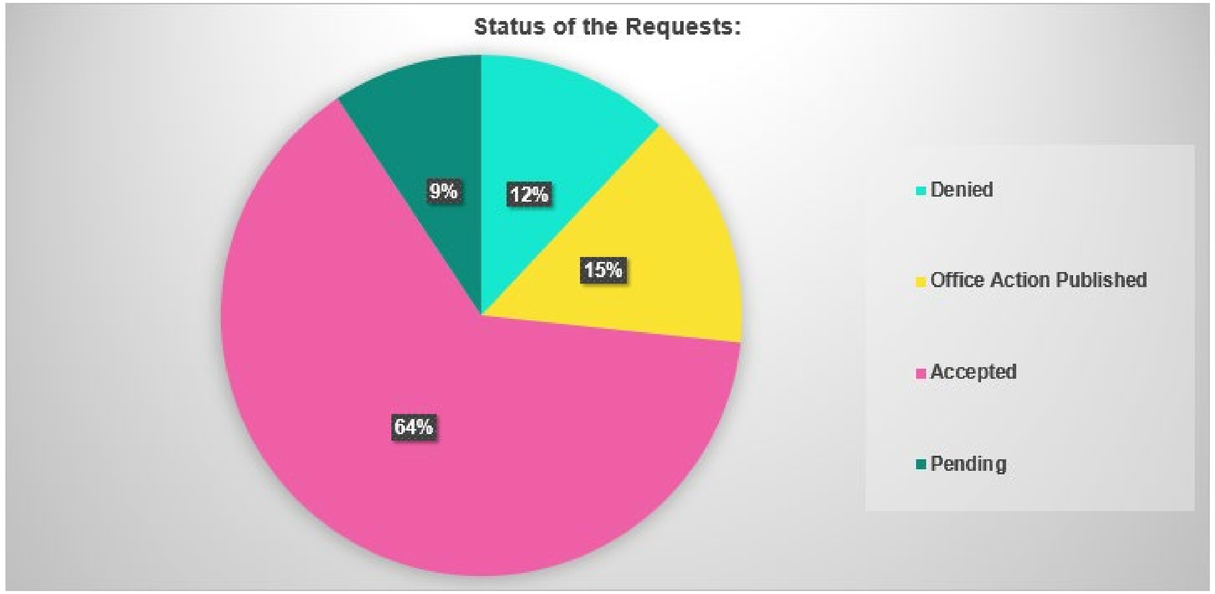
a) The patent application does not need to mention the virus.

b) The applicant should present a clarification explaining the relationship between the claimed matter and the treatment of COVID-19 symptoms.

c) The clarification is evaluated by the Brazilian PTO.

Statistics:

- Number of requests: 75 (until October, 2020)



Source: BPTO

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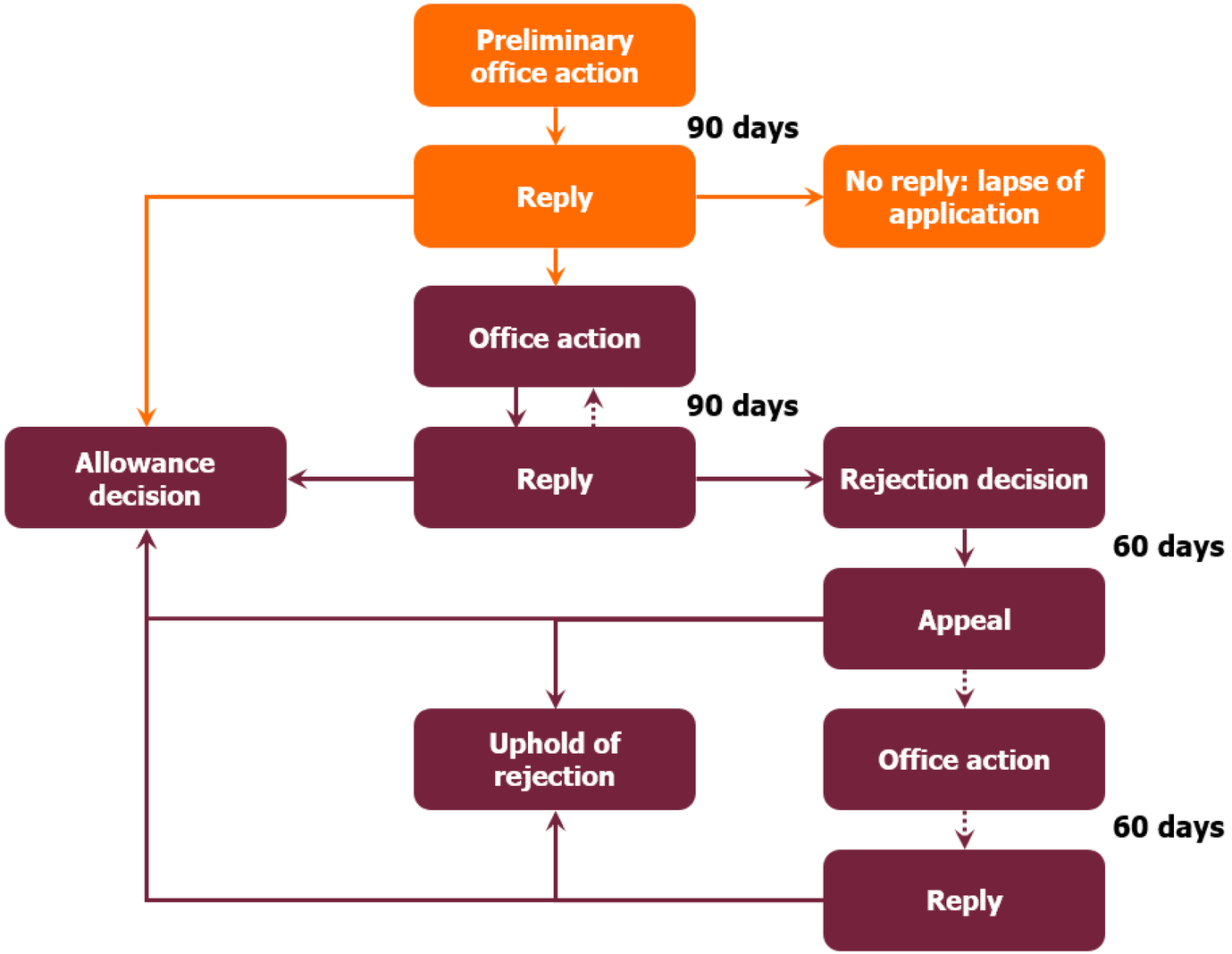
Comparison table:

	Covid specific Accelerated Examination
Brazil	YES
China	NO
India	NO
EPO	NO
Japan	NO
Korea	YES
US	YES

2. Patent Pre-Examination Procedure in Brazil and the backlog:



Office action is standard

Prior art is usually the same cited in corresponding examination procedures

Basically an invitation to file amendments based on a granted counterpart patent, preferably EP/US/CN/KR/JP

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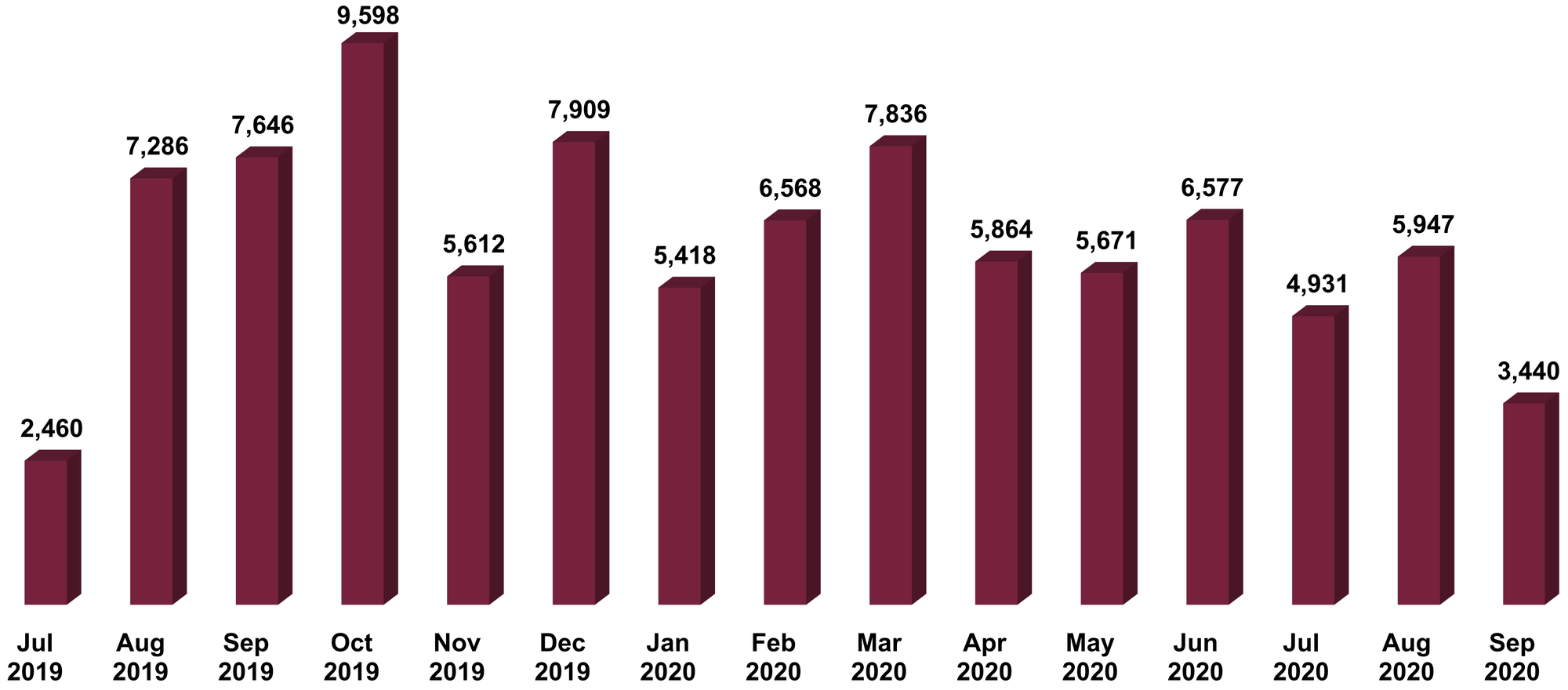
Preliminary office actions per month:



	July 2018 to June 2019	July 2019 to June 2020
Total	**17,209**	**78,445**
Average per month	1,434	6,537

Source: BPTO

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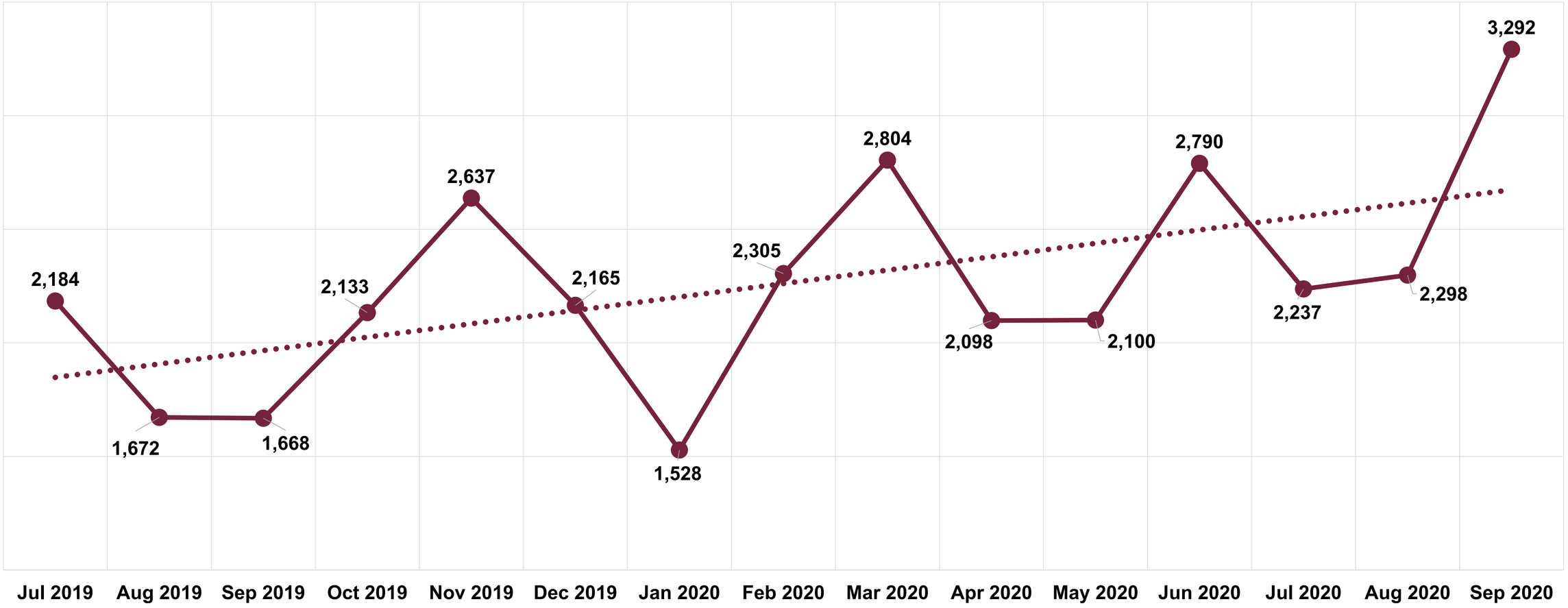
Allowance and rejection decisions per month:



	July 2018 to June 2019	July 2019 to June 2020
Total	**17,204**	**26,084**
Average per month	1,433	2,170

Source: BPTO

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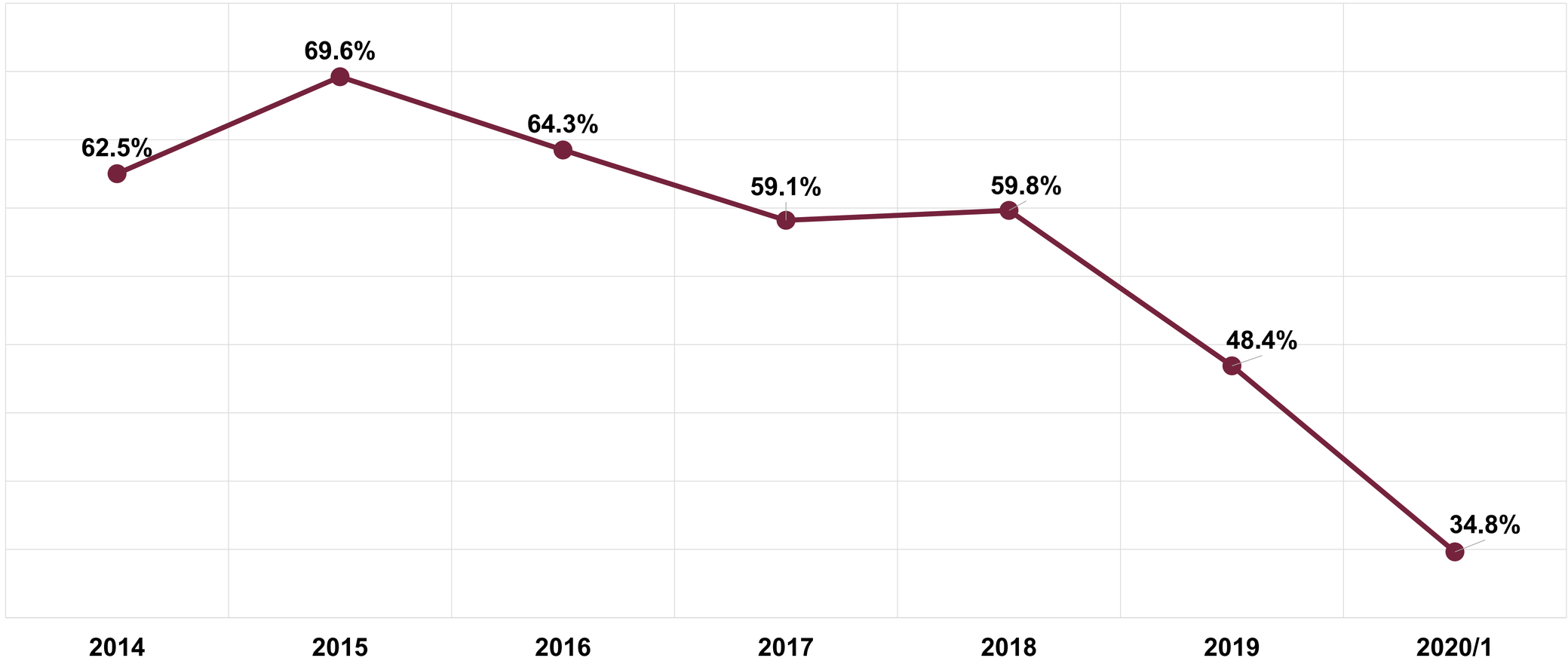
Ratio of patents granted after 10 years from filing date:



	Backlog
2018	10 years and 7 months
2020	**8 years and 5 months**

Source: BPTO

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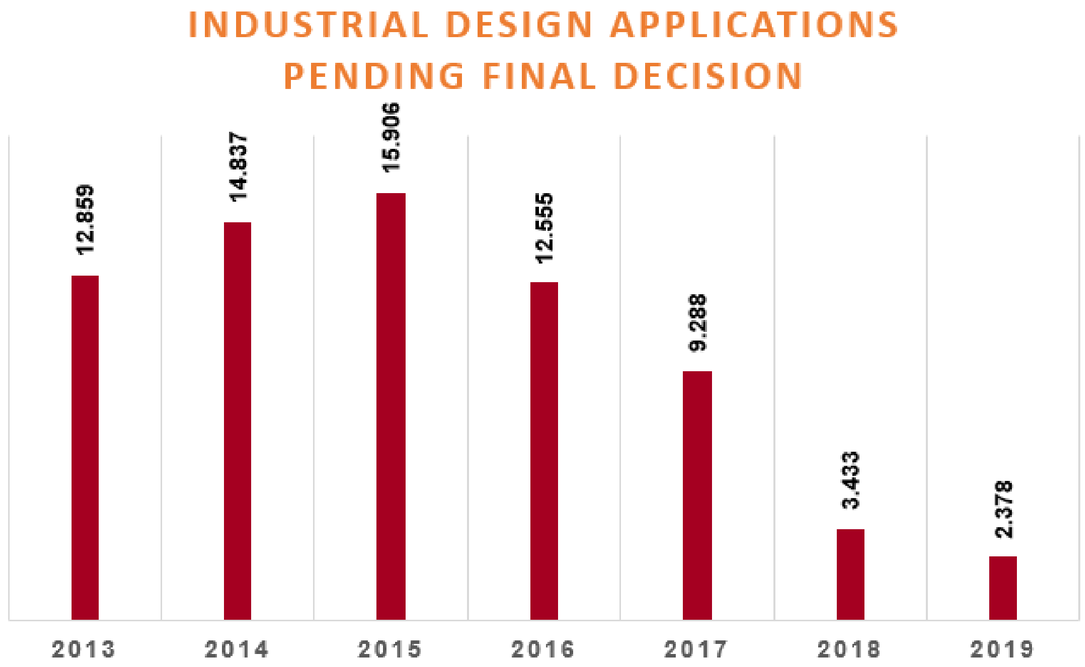
3. Industrial Designs in Brazil:

- In the Design Registration Area, efforts like informatization, publication of Normative Instructions intending to simplify the filings, and hiring of new examiners created a sort of task force.

- A drastically decrease in the number of design applications pending final decision, from 15,906 in 2015 to 2,378 in 2019.



Source: BPTO

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First Guidelines for Industrial Design:

The First Guidelines, which entered into force on March 09, 2019, clarifies the Brazilian PTO's position regarding some controversial issues that have been under discussion during the last years.

(a) Function of the application field: The application field indicated in the design registration has a clarifying purpose of indicating the market segment of the design object, it does not have a limiting function. This means that the registered design should not be reproduced without authorization in any other object, regardless of its industrial field or market segment. For example, a design registration of a cooking article would protect the owner against unauthorized use thereof as a toy miniature cooking article as well.

(b) Broken lines in the priority document: Broken lines in the priority document representing unclaimed parts of the design should be replaced with continuous lines and incorporated into the Brazilian design object, in case they represent an inseparable part of the object.

On the other hand, when the design object represented in continuous lines in the priority document is capable of individually subsisting without the unclaimed parts shown in broken lines, then it might be possible to delete the broken lines in the Brazilian design application, without any impact in the priority rights.

(c) Ornamental patterns applied to tridimensional objects: In case of design applications referring to ornamental patterns applied to tridimensional objects, the set of figures should include representations of the pattern applied to the object in question, with the object's contours represented in broken lines.

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Thank you!

Mariana Mostardeiro | mmostardeiro@dannemann.com.br

BREAKING NEWS FROM…

SCHWARZ & PARTNER

EUROPE

Patentanwälte
European Patent Attorneys
European Trademark and Design Attorneys

Contents

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- „To Be Or Not To Be“ – Status of the UPC and the Unitary Patent System
- „The Long Good Bye“: Impact of the Brexit on the European and UK patent systems
- „Straighten Up and Fly Right“: The new challenges applicants/patentees are facing in proceedings before the EPO
- „And now for something completely different“: National news from
  - DE
  - FR
  - UK
  - IT

UP/UPC - To Be or not to Be

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- Status of Ratification of UPCA as of January 2020:
  - Condition for Entering Into Force:
    - 13 Ratifications
    - Including UK, FR, DE
  - January 2020:
    - 16 Ratifications ✔
    - UK, FR ✔
    - DE missing x
- 2017: Constitutional Complaint filed against the German Bundestag‘s vote on the ratification of the UPCA

2020: A roller coaster year for the UPC/UP system

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- Feb 2020: The German Federal Constitutional Court (DE-CC) declares the vote on the ratification of the UPCA void for formal reasons
  - https://www.bundesverfassungsgericht.de/SharedDocs/Entscheidungen/DE/2020/02/rs20200213_2bvr073917.html
  - 2/3 majority required for valid vote on UPCA not fulfilled (only a few members of parliament present)
  - UPC „on hold“
- June 2020: New German Draft Bill for ratification of the UPCA
  - Ok, let‘s go again, but:
  - How about UK-Brexit? Can there be a UPC system including a non-EU-member?
- July 2020: UK announces withdrawal of ratification of the UPCA
  - So everything is clear now!?
  - But: The UPCA has no provisions for such a „withdrawal“. Legal Effect?
  - Italy replacing(?) UK as the third state which is required to ratify (+ DE,FR)
  - Italy has already ratified! So – Hooray, it’s just Germany missing and off we go!?
- October 2020: German Draft bill referred to parliamentary committees
  - Simplified Procedure – Things get fast now!
- 4 Nov 2020:….
  - Vote on UPCA not on agenda this week – next plenary sessions start Nov 16.
  - Vote might be held together with vote on DE-Budget 2021: Expected Dec. 8-12 2020

2020: A roller coaster year - Summary

SCHWARZ & PARTNER

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To Be!

- Imagine: Vote on Ratification in Germany „Nov/Dec 2020“:
  - The last remaining steps for bringing the UPCA into force would be/are
    - Approval by Bundesrat and signature of DE‘s President
    - DE depositing its instrument of ratification with the General Secretariat of the Council of the European Union
  - Entry into force of the UPCA: “First day of the fourth month after DE’s deposit” (Art. 89(1)UPCA)
    - So – can we file an infringement/revocation action with the UPC in “2021”?
  - Not so fast: Transition Period to get the system up and running:
    - Provisional Application of the UPCA: “PPA”
    - https://www.unified-patent-court.org/sites/default/files/Protocol_to_the_Agreement_on_Unified_Patent_Court_on_provisional_application.pdf
    - Setting up the Court / Regional / Local Divisions
      - Technical set-up
      - Appointment / training of judges
  - Planned Sequence of steps:
    - Getting PPA into force (DE deposit of ratification)
    - Setting up the system under PPA
    - Getting UPCA into force (DE deposit of ratification)

Or Not To Be?

- The Possible Legal Obstacles:
  - Is the UK really „out“?
    - No withdrawal provisions in the UPCA – Vienna Law of Treaties to apply?
    - PPA and other Protocols require „UK being in“?
  - London Seat of the Central Division (Art. 7(2) UPCA)
    - Proposal: Split the Technical Fields assigned to the London CD between Munich and Paris (IC Classes „A“ and „C“)?
    - Different Seat? (IT has proposed Milan)
    - Can the text of the Agreement simply be ignored?
  - Other legal issues on which the DE-Constitutional Court did not comment on:
    - Ultimate primacy of EU law
    - Procedures to appoint/suspend UPC judges
    - No legal review of decisions of the EPO possible
  - Further Constitutional Complaints in DE are expected/announced
    - Foundation for a Free Information Infrastructure (FFII) announces complaint
    - Will they stop the ratification process (as in 2017)?

To Be Or Not To Be

- Imagine the UPC/UP system „up and running 2021/2022“:
- Each (existing and future) EP patent will be subject to the jurisdiction of the UPC
  - Unless actively „opted out“
    - Three-months „sunrise period“ for opting out before UPCA gets into force
- Additional option to request EP Patent with Unitary Effect
  - Annual fees competitive?
    - Still partly based on UK fees?
- How stable is the system?
  - How about (future) (constitutional) complaints against the UPCA?
- A „not so unitary system“:

To Be or Not to Be

- A not so „unitary“ Patent / Patent Court System within the EPC countries:

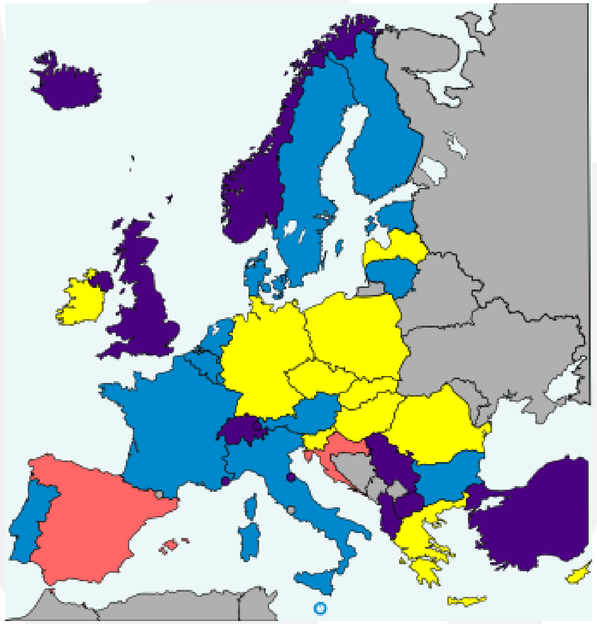
Blue: UPCA signed and ratified, „in“

Yellow: UPCA signed, not ratified, currently „out“

Red: UPCA not signed, (currently) „out“

Purple: EPC member state, but no members of EU, „out“

How will you advise your clients?



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Contents

The Long Goodbye – UK Brexit*

- UK left the EU 31 December 2020
- Transition Period until 31 December 2021

- Impact of Brexit on EP and UK Patents as well as UK Litigation:

  - (Almost) None!

  - UK government (as of Oct 2020) has no intention to leave the EPC
    - Thus no influence on EP/UK-Patents
    - Starting from 2021: UK address of service needed (likely)

  - SPCs (Patent Term Extension for Pharma Products):
    - UK legislation starting from „1 Jan 2021“ in place
    - Existing SPCs and pending SPCs (as of 31 Dec 21): No impact
    - Future SPCs: „Same rules“ as now, but without referrals to the ECJ
      – Development of „national UK case law on SPCs“ likely

*Credits to Julian Crump, FICPI President, Abel + Imray

Contents

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Straighten Up and Fly Right – News from the EPO

- EPO's "Early Certainties" Plan:

- 6 months for establishing Search Report
- 12 months for finalizing Examination
- 15 months for Opposition Decision
- Accelerating Appeal Proceedings

- Sounds good, BUT…

Straighten Up and Fly Right

- The pressure on users increases:
  - Examination proceedings:
    - Decision on grant/refusal often taken already after only 1 – 2 Office Actions
    - Full arguments/strategy needed already in early stage
  - Opposition / Appeal Proceedings:
    - Strict Discretion of the Division/Boards to allow “late filed facts/arguments”
    - New Rules of Proceedings before the Boards of Appeal:
      - Even stricter requirements for facts/requests/evidence filed after appeal statement / counter statement
  - **Your case must be complete upon filing!**

Contents

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- PACTE law (Action Plan for the Growth and Transformation of Enterprises Act, entered into force on May 23, 2019**)**
  - Prescription (limitation) for infringement actions: 5 years prescription period
  - Prescription (limitation) period for invalidity actions removed.
  - Term of protection of a utility model has increased from six to 10 years.
  - New opposition procedure against granted French patents. Any third party may file an opposition within 9 months from the date of grant.
  - Full examination of French patent applications introduced (novelty and inventive step)
  - Filing of provisional applications possible.

*Credits to Vincent Pons, Laurent Charras

- Case Law of the Supreme Court:
  - **SEPs - FRAND:** (Unwired Planet v Huawei and Conversant v Huawei and ZTE)
    https://www.supremecourt.uk/cases/docs/uksc-2018-0214-press-summary.pdf
    - English Court has the power to grant an injunction in respect of UK national SEPs unless implementer takes global license, and to determine the terms of such global licence.
    - The Contractual arrangements ETSI has created under its IPR Policy give the English courts jurisdiction to determine the terms of a global license of a multi-national patent portfolio
    - England is the proper forum for the dispute, even though the UK is a small market compared with China (where the defendants were based and made most of their sales)
  - **Sufficiency:** (Regeneron Pharmaceuticals Inc v. Kymab Ltd)
    https://www.supremecourt.uk/cases/docs/uksc-2018-0131-press-summary.pdf
    - For a claim covering a range of product types, the disclosure must be sufficient to enable substantially all types of the product covered to be made at the priority date.
    - It is not good enough to show that all the products in the claimed range have a benefit generated by the invention.

*Credits to Julian Crump, FICPI President, Abel + Imray

- **UPC:**
  - **Italy** nominates Milan as third location of the Central Division of UPC instead of London
- **Case Law:**
  - **Italian Supreme Court Feb. 2020 Decision No. 2977**
    - Determining equivalent infringement:
      - File History not relevant
      - Any relevance of the subjective intention of the applicant excluded
    - Scope of the claim is to be established on the basis of the objective meaning of the patent as it is, regardless of declarations made in the course of the prosecution.

*Credits to Roberto Pistolesi, FICPI Secretary General, Dragotti & Associati

THANK YOU!

SCHWARZ & PARTNER

Patentanwälte
European Patent Attorneys
European Trademark and Design Attorneys

Focus on Germany / UP & UPC (1)

- Previous Development: The Bundestag ratified Unified Patent Court (UPC) Agreement and the Protocol on Provisional Application, but **before signature of President**, constitutional complaint stayed the signature and in February 2020 the Federal Constitutional Court ruled that same Agreement and Protocol **is unconstitutional**
- The protection of Art. 38 para. 1 sentence 1 GG (i.e. Basic Law) also extends to the safeguarding of the requirements of Art. 23 para. 1 GG for an effective transfer of sovereign rights. In order to secure their democratic influence in the process of European integration, citizens have a fundamental right to the **transfer of sovereign rights only in the forms provided for by the Basic Law** for this purpose in Article 23 (1) sentence 2 and sentence 3, Article 79 (2) of the Basic Law (formal transfer of control)
- https://www.bundesverfassungsgericht.de/SharedDocs/Entscheidungen/DE/2020/02/rs20200213_2bvr073917.html

- The Bundestag's **first reading** on Thursday, 8th October 2020
- Council of Elders agreed that the bill be dealt with under the simplified procedure.
- No debate and the bill was **referred to** the following **committees** for consideration: the Committee on Legal Affairs and Consumer Protection (the lead committee), the Committee for Affairs of the EU and the Budget Committee.

- Next steps:
  - The lead committee **will submit** a report and **recommendation** to the Bundestag for a **second reading** of the bill.
  - For this bill to enter into force it must be approved by the Bundestag in its **third reading** *by two-thirds of the Bundestag's members* (this requirement not being met for the previous bill, leading to the successful constitutional complaint),
  - Then has to be **approved by** the **Bundesrat** and **signed by the President**.

Focus on Germany / UP & UPC (3)

- There remains a **high risk** of another constitutional complaint:
- Potential challenger is **FFII** (Foundation for a Free Information Infrastructure): https://ffii.org/open-letter-to-the-bundesrat-on-the-unitary-patent-tomorrow-germany-will-be-asked-to-violate-multiple-international-agreements/
- Reasons already brought forward: Violation of Vienna Convention on the Law of Treaties (VCLT), the European Convention on Human Rights (ECHR) and the Treaty of the Functioning of the European Union (TFEU)
- Not all former reasons were ruled on in 1st complaint
- Further possible grounds:
  - procedure for **selecting and appointing judges** and their **legal status**;
  - form of the **committee system** provided for in an EU trade agreement (i.e. CETA), which did not guarantee member states were represented, could affect the principles of democracy;
  - Justice Huber already signaled that another ground (**unrestricted primacy of European law over the Basic Law**) could become crucial

Focus on Germany / Preliminary Injunction (1)

- Right of the opposing party to be heard
- The **involvement of the opposing party** in a preliminary injunction procedure under the right of expression is in principle **also necessary** if a decision may be issued without an oral hearing due to the particular urgency
- The procedural involvement of the opposing party in a preliminary injunction procedure under the right to express an opinion can **only be replaced by a pre-litigation warning letter** of equal value if the **warning letter and the application for an injunction are identical**.
- This is **not the case if** the application for a preliminary injunction is replicated in the pre-litigation reply, contains **new arguments**, or is **subsequently supplemented or clarified**
- When examining the question of whether the other party's (repeated) **hearing may be waived** in the preliminary injunction proceedings **as an exception** due to the court's more difficult course of business (here: due to proceedings against **corona** containment measures), the possibility of a **hearing by telephone** must also be taken into account.
- In cases of an **interim injunction** issued exceptionally without the involvement of the opposing party, the court has at least a **special obligation to schedule an oral hearing promptly**.

Focus on Germany / 2. PatMoG (1)

- Second Patent Law Modernization Act (September 1, 2020)
- Sec. 139 German Patent Act - **Injunctive Relief**
  - Present Sec. 139 GPA provides that any person who uses a patented invention contrary to sections 9 to 13 may, in the event of the **risk of recurrent infringement**, be sued by the aggrieved party for **cessation and desistance**.
  - In the decision "Wärmetauscher" (Heat Exchanger, May 10, 2016 – X ZR 114/13), the Federal Supreme Court (BGH) held that an **immediate enforcement** of a claim for injunctive relief may be disproportionate where, under the particular circumstances of an individual case, taking into consideration the interests of the patentee with respect to the infringer, such a measure would constitute **hardship that could not be justified by an exclusive right**, thus constituting a breach of good faith.
  - The question of proportionality **in particular** arises when **complex products**, **non-practicing entities** and **standard-essential patents** are concerned.
  - Proposal for introduction of "The claim is excluded insofar as its enforcement is disproportionate because it constitutes a hardship not justified by the exclusive right under the special circumstances and taking into account the interests of the patentee vis-à-vis the infringer the principle of good faith."

Focus on Germany / 2. PatMoG (2)

- Current (2nd) proposal for introduction of "The claim is excluded if the fulfilment would lead to disproportionate disadvantages for the infringer or third parties due to the special circumstances of the individual case, which are not justified by the exclusive right. In this case, the **aggrieved party may** demand monetary compensation if this appears appropriate. The claim for damages under paragraph 2 shall remain unaffected."

- The second draft now clearly focuses on whether the **fulfilment** of the claim (and not only its enforcement) is disproportionate due to special circumstances of the individual case. The restriction of the claim to injunctive relief is thus to apply irrespective of whether the injured party actually enforces his claim in court.

- It also provides that in addition to the interests of the injured party and the infringer, the interests of third parties may also have to be taken into account directly in the question of whether the claim to injunctive relief is to be restricted by way of exception for reasons of **proportionality**.

- Finally, the draft now expressly regulates a monetary compensation for the patentee by the patent infringer in the event of the exclusion of the claim to injunctive relief. → **Double recovery of damages?**

Focus on Germany / 2. PatMoG (3)

- Sec. 82, 83 German Patent Act - Nullity Proceedings → Speed it up!
  - In Germany, infringement and nullity pro-ceedings take place before separate courts due to **bifurcation**. In detail, civil courts de-cide on the infringement of a patent-in-suit, while the **German Federal Patent Court** assesses the legal validity of the patent-in-suit.
  - In order to **improve the synchronization** of parallel infringement and nullity proceedings, the qualified notification pursuant to Sec. 83 German Patent Act, in which notification the German Federal Patent Court communicates its **preliminary assessment** of the legal validity of the patent, already has to take place **within six months** after the nullity complaint was filed. If a patent litigation matter is pending, the **qualified notification** additionally is to be conveyed **to** the **infringement court** *ex officio*.
  - Further, **nullity actions** can be filed in the future as a reaction to an infringement action **even if an opposition** against the patent **can still be filed** or an opposition procedure is still **pending**, which is excluded by present law.

Focus on Germany / 2. PatMoG (3)

- Sec. 145a German Patent Act - Protection of Trade Secrets → Get them all!
  - The draft proposes to include a new provision as Sec. 145a GPA, which provides that Secs. 16 - 20 of the German Law on the Protection of Trade Secrets **shall apply to patent litigation** mutatis mutandis.
  - Accordingly, trade secrets **are to be treated confidentially** by the parties involved in patent litigation proceedings (except in independent proceedings of taking evidence and compulsory licence proceedings) and must generally **not be used or disclosed beyond the court proceeding**, thereby enabling the courts to **limit the access** to certain documents or parts of the oral hearing to a narrow circle of persons.

- Art. 2, Sec. 4 Law on International Patent Conventions
  - The time limits for entering the **National Phase** under PCT Article 22 (Chapter I) and PCT Article 39(1) (Chapter II) are **amended** from 30 months to **31 months** so as to harmonize the time limits with those of the EPO.

- https://www.bmjv.de/SharedDocs/Gesetzgebungsverfahren/DE/PatMoG_2.html
  Oktober 5, 2020 ff.

- Further discussion

- Lack of protection of the **underside of a bicycle saddle** as design
  → Bicycle saddle [DesignG §§ 2, 4, 34 a I 1, 34 c I, II 1]

- The design of the underside of a bicycle saddle is excluded from design protection as an **invisible component of a complex product**.
- GRUR-RR 2020, 246; BPatG, Beschl. v. 27.2.2020 – 30 W (pat) 809/18

Thank you for your attention!

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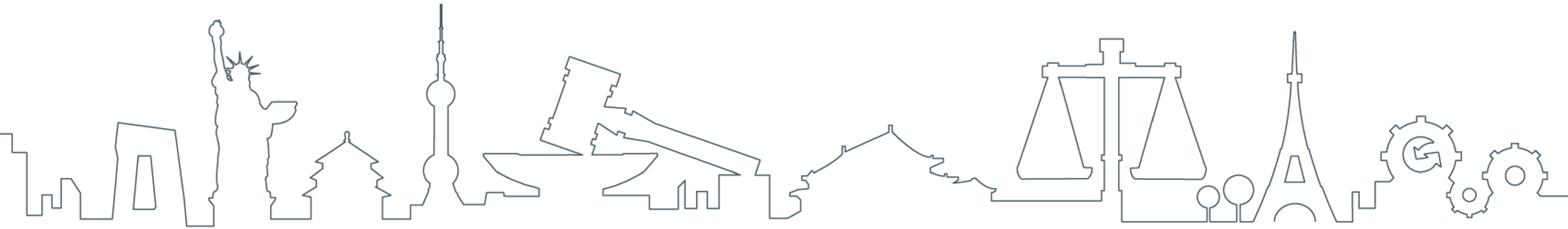
Recent Trends of Chinese Patent Practice



CONTENTS

Breaking News!
The 4th revision of Chinese Patent Law

Oct 17, 2020

Approval

The draft revision of the Chinese Patent Law was approved by the Standing Committee of the National People's Congress

Jun 1, 2021

In force

The revision will come into force on June 1, 2021

Key Points of the Revision

- Enhancement of Protection for Patent
  - Introduction of a punitive damage up to 5 times the amount determined (Article 71)
  - Increase of the upper limit of statutory damage to RMB 5,000,000 Yuan (Article 71)
  - Further clarification of the burden of proof for infringement (Article 71)
  - Prolongation of the limitation of action for infringement to 3 years (Article 74)

Key Points of the Revision

- Protection of Design Patent
  - The protection for partial design is added (Article 2.4)
  - The term of a design patent is prolonged to 15 years (Article 42.1)
  - The domestic priority of design is introduced (Article 29.2)

Key Points of the Revision

- Patent Term Compensation
  - Patent term compensation for the unreasonable delay due to patent examination (Article 42)
  - Patent term compensation for drugs (Article 42)
- Early Resolution Mechanism of Drug Disputes
  - New Article 76
  - China's "pharmaceutical patent linkage system"

Key Points of the Revision

- Patent Open License System
  - Addition of patent open license system (Article 50)
  - Reduction and exemption of annual patent fees for patentees providing open licenses (Article 51)

Key Points of the Revision

- Strengthened Administrative Protection of Patents (Articles 68, 69, and 70)
  - China adopts a dual-system for patent protection. For a patent infringement dispute, the patentee can either bring a lawsuit to the people's court or request the patent administrative department to handle it.
  - The revised Articles 68-70 indicate that the patent administrative department of the State Council (i.e. the China National Intellectual Property Administration) have been empowered to handle patent infringement disputes that have a significant influence in the whole country, and the patent administrative departments (the Local Intellectual Property Administrations) have been empowered to query the parties, conduct on-site inspections and check relevant products.

Key Points of the Revision

- Addition of Patent Evaluation Report of Utility model and Design (Article 66)
  - According to the current Patent Law, only the patentee and interested parties (such as a certain licensee) could request a patent evaluation report for a utility model or design patent.
  - In the revision, the patentee, interested parties and the accused infringer can all present a patent evaluation report on their own initiative, rendering the patent evaluation report system more complete and neutral in procedure, and also providing additional means for the accused infringer to cope with the patentee.

Key Points of the Revision

- More Time to Submit Copy of Priority Document
  - According to the current Patent Law, a copy of the priority document of the patent application document shall be submitted within three months from the date of filing the new application.
  - In the revision, it can be determined that more time (within sixteen months from the priority date) has been allowed for when submitting a copy of the priority document.

Key Points of the Revision

- Addition of Application of Grace Period for Novelty
  - According to the current Patent Law, an invention for which a patent is applied can request a grace period for novelty where, within six months before the date of application, one of the following events has occurred:
    - where it was first exhibited at an international exhibition;
    - where it was first made public at a prescribed meeting; or
    - where it was disclosed without the consent of the applicant.
  - In the revision, a further event is added, i.e. where it was first disclosed for the purpose of public interest when a national emergency or extraordinary state of affairs occurs, it will not be deemed to have lost novelty.

Recent Judicial Interpretation, Provisions, or Official Reply of the Supreme People's Court

Recent Judicial Interpretation, Provisions, or Official Reply of the Supreme People's Court

- The administrative cases of patent authorization and administrative cases of patent confirmation are defined.
- The Court may make reference to the statements made by the patentee and adapted by the effective judgment of civil case(s)of patent infringement when defining the wordings of the claim(s).

Sep 10, 2020

Issued

Sep 12, 2020

effect

Provisions (I) of the Supreme People's Court on Several Issues Concerning the Trial of Administrative Cases of Patent Authorization Confirmation

Recent Judicial Interpretation, Provisions, or Official Reply of the Supreme People's Court

- Provisions (I) of the Supreme People's Court on Several Issues Concerning the Trial of Administrative Cases of Patent Authorization Confirmation

  ➢The Court shall exam on the supplementary experimental data submitted after the filing date by the applicant of pharmaceutical patent if the applicant asserts that the patent application will comply the provisions of Article 22.3, Article 26.3 etc., proved by such data.

  ➢ If any disputes are raised by any parties for the authenticity of the experimental data, the party of submitting the experimental data shall provide evidence to prove the resource and process for the formation of the experimental data. The Court may inform the person in charge of the experiments to appear before the court and make the statements for the raw materials, steps, conditions, environment or parameters of the experiments, and the staff and organization, etc, completing the experiments.

Recent Judicial Interpretation, Provisions, or Official Reply of the Supreme People's Court

- Provisions (I) of the Supreme People's Court on Several Issues Concerning the Trial of Administrative Cases of Patent Authorization Confirmation

  ➢ The circumstances that the sued decision may be partly withdrawn in the judgment are defined, including (i) part claim(s) in the claims being found error and the others being found correct in the sued decision; (ii) part design(s) in a design patent application stipulated in Article 31.2 of the Patent Law being found error and the others being found correct in the sued decision; and (iii) other circumstances .

  ➢ It stipulates that the Court shall make the examination according to law and render a ruling if the holder of Intellectual Property asserts that its/his right has been infringed and raises an application for protective measures to require the network service provider, e-commerce platform business to take off-shelf measures quickly to delete, block or disable relevant links, etc.

Recent Judicial Interpretation, Provisions, or Official Reply of the Supreme People's Court

- Official Reply of the Supreme People's Court on Issues Concerning the Application of Law to Disputes over Network-related Intellectual Property Infringement

  ➢ It stipulates that the network service provider, e-commerce platform business shall transfer the notice sent by the holder of the Intellectual Property according to law timely to the relevant network user, in-platform business once receiving the same, and take necessary measures according to preliminary evidence for constituting infringements and the type of the service; without taking necessary measures, the Court may support, according to law, the assertion of the right holder that the network service provider, e-commerce platform shall be held jointly liable with the network user, in-platform business to the extended part of the damage.

Recent Judicial Interpretation, Provisions, or Official Reply of the Supreme People’s Court

- Official Reply of the Supreme People's Court on Issues Concerning the Application of Law to Disputes over Network-related Intellectual Property Infringement

  ➢ It stipulates that the Court shall support, according to law, if the right holder requires corresponding punitive damage according to the provisions of law as malicious submission of the declaration results in the e-commerce platform business to terminate necessary measures and causes damage to the holder of the intellectual property.

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