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**Notice on Collecting International Search Fees on Behalf of the European Patent Office in Chinese Yuan for the CNIPA-EPO PCT Pilot Project**

According to the "Announcement of the National Intellectual Property Administration on Adjusting Some Patent Fee Standards and Fee Reduction Policies (No. 594)" and the "Memorandum of Understanding on the Remittance of Patent Cooperation Treaty (PCT) Fees" signed between the China National Intellectual Property Administration (CNIPA) and the World Intellectual Property Organization (WIPO), from December 1, 2024, the CNIPA will collect international search fees on behalf of the European Patent Office (EPO) for the CNIPA- EPO PCT Pilot Project.

**Fee Standards and Currency:** The international search fee for PCT applications selecting the EPO as the International Searching Authority is EUR1,845. Based on the latest fee standards published by WIPO, the international search fee collected on behalf of the EPO in Chinese yuan is determined to be CNY14,310.

**Scope of Application:** Under this project, the CNY standard announced in this notice applies to the international search fee for PCT applications with an international filing date on or after December 1, 2024, which have selected the EPO as the International Searching Authority.

Other fees charged by the EPO, including additional search fees, fees for opposition, preliminary examination request fees and handling fees during the international preliminary examination stage, shall be paid directly to the EPO by the parties concerned.

**Payment Method and System Upgrade:** When the parties concerned pay the international search fee of the EPO through the CNIPA, the payment method is the same as that for international filing fees. The date when the CNIPA's account receives the payment shall be deemed as the payment date.

For the original text of the Notice, please see the following link

[http://www.cnipa.gov.cn/art/2024/11/28/art\\_75\\_196322.html](http://www.cnipa.gov.cn/art/2024/11/28/art_75_196322.html)

**Riyadh Design Law Treaty Successfully Concluded**

From November 11 to 22, the Diplomatic Conference on Design Law, organized by the WIPO, was held in Riyadh, the capital of Saudi Arabia. The conference successfully approved the Riyadh Design Law Treaty. A Chinese government delegation, comprising representatives from the CNIPA, China's Permanent Mission to Geneva, and the Chinese Embassy in Saudi Arabia, participated in the conference. The delegation was led by CNIPA Deputy Commissioner Lu

Pengqi. During the conference, the delegation actively engaged in negotiations, contributing constructively to the successful conclusion of the treaty and advancing the global IP governance system towards greater fairness and equity.

The negotiations for the Design Law Treaty spanned nearly two decades. The treaty aims to harmonize and standardize the procedures and formalities for design applications across countries, covering provisions related to application documents, representation, determination of filing dates, grace periods, amendments or division of applications, publication, renewals, relief in respect of time limits, and reinstatement of rights. These measures will enable designers to protect their designs in domestic and international markets more conveniently, quickly, and affordably.

[http://english.cnipa.gov.cn/art/2024/11/29/art\\_1340\\_196344.html](http://english.cnipa.gov.cn/art/2024/11/29/art_1340_196344.html)

### **National Standard for "Geographical Indication - Basic Terminology" Released**

The recommended national standard "Geographical Indication - Basic Terminology (GB/T 44584-2024)", drafted under the leadership of the CNIPA, has been approved and officially implemented recently.

The standard is administered by the Geographical Indication Subcommittee (TC554SC1) under the National Technical Committee 554 on Intellectual Property and Knowledge Management Standardization Administration of China. It comprehensively considers relevant laws, regulations, policy documents, and related standards on geographical indications (GI), and based on practical experience in GI protection, defines 25 basic terminologies, including general terminology, recognition terminology, and protection terminology.

This standard fills a gap in the foundational terminology for GI recognition and protection in China, providing robust support for

advancing high-level GI protection, high-standard management, and high-quality development.

[https://english.cnipa.gov.cn/art/2024/12/10/art\\_1340\\_196562.html](https://english.cnipa.gov.cn/art/2024/12/10/art_1340_196562.html)

### **USPTO: Patent fee Changes to Take Effect on January 19, 2025**

USPTO announced that patent fee changes will take effect on January 19, 2025.

According to the USPTO, this adjustment started in April 2023, when the USPTO announced plans to exercise their authority to set or adjust patent fees. After collecting public feedback, a public hearing was held in May 2023. Then, they published a notice of proposed rulemaking on setting and adjusting patent fees. After comprehensive considering the public feedback and relevant comments and recommendations, they decided not to move forward with three targeted proposals and revised an additional three targeted proposals.

The three fee changes we are not moving forward include:

- a new fee for After Final Consideration Pilot 2.0 requests;
- a targeted increase to the patent term adjustment fee; and
- terminal disclaimer tiered fees.

The three revised fee changes (and their revisions) include:

- upward adjustment of the timing thresholds for continuing applications;
- substantial reduction to the adjusted patent term extension fee; and
- elimination of the proposed new tier for third and subsequent requests for continued examination, and corresponding adjustments to the existing fee for second and subsequent requests.

### **China Expands IP Protection Network to 75 Centers**

BEIJING -- There are now 75 national intellectual property (IP) protection centers in China, the country's top IP regulator has said.

The centers are distributed across 29 provinces, autonomous regions and municipalities, according to the CNIPA.

The CNIPA recently approved the construction of a national IP protection center in Ningxia Hui autonomous region. In the future, the center will undertake rapid, coordinated IP protection work for the new materials and high-end equipment manufacturing industries.

Once it is completed and put into operation, the center is expected to accelerate the transformation and upgrading of economic drivers, create a sound innovation and business environment, and support the high-quality economic development of the country's western regions and ethnic minority areas, according to the CNIPA.

<http://chinaipr.mofcom.gov.cn/article/centralgovernment/202412/1989589.html>

### **China's Domestic Valid Invention Patents Reach 4.66 Million**

The latest data released by the CNIPA reveals that as of the end of October this year, the number of valid invention patents in China has reached 4.66 million. Of these, enterprises hold 3.417 million patents, accounting for 73.3% of the total.

In the first three quarters, the number of patent transfer and licensing records by universities and research institutions nationwide increased by 24.1% year-on-year. The total amount of patent and trademark pledge financing reached 792.23 billion yuan, marking a year-on-year growth of 60%. Additionally, the total import and export value of intellectual property usage fees hit 307.2

billion yuan, up 7.2%, all setting new historical records.

As of the end of October, the average examination period for invention patents in China was reduced to 15.6 months. To date, 123 national-level intellectual property protection and rapid rights protection centers have been approved for construction, spreading across 29 provinces, regions, and municipalities, with over 193,000 registered innovative entities. In the first three quarters, these protection and rapid rights centers handled a total of 98,000 intellectual property protection cases, with an average processing time of under two weeks.

Moreover, in the first three quarters, the proportion of invention patents in new patent applications by universities and research institutions increased to 70.9%, indicating a steady improvement in the quality of patent applications. Currently, a comprehensive inventory has been completed for 1.349 million existing patents across over 2,700 universities and research institutions. A batch of invention patents with promising industrialization prospects has been added to the convertible resource pool.

<http://chinaipr.mofcom.gov.cn/article/centralgovernment/202412/1989592.html>

## SUPPLEMENTARY ISSUE

### **Constitutive Elements of Malicious Filing of Intellectual Property Litigation**

In 2024, the Supreme People's Court (SPC) concluded an appeal case involving a dispute over damage liability due to malicious filing of intellectual property litigation, in which the Court determined that the accused infringer's litigation action did not constitute malicious litigation, and further clarified the criteria for identifying malicious litigation.

Guilin A Company filed a lawsuit with the court of first instance, requesting to confirm that Case No. 3843 filed by Hunan B Company was a malicious intellectual property lawsuit, and to order to compensate for economic losses and reasonable expenses.

The court of first instance found that: On January 20, 2016, Hunan B Company was granted the invention patent involved in the case. On May 9, 2018, Guilin A Company issued the "Announcement on the Acceptance of Company's Public Allotment Application by the China Securities Regulatory Commission (CSRC)." On July 13, 2018, Hunan B Company filed a lawsuit with the court against Guilin A Company for infringing its patent by producing, selling, and offering to sell the relevant series of products, namely Case No. 3843. In this case, Hunan B Company believed that Guilin A Company openly produced, sold, and offered to sell the relevant series of products in large quantities without licensing, and that the sensory requirements, physical and chemical indicators, heavy metal content, microbial control and other aspects in its product inspection reports are highly consistent with those of products prepared by Hunan B Company through its patented method, which is an infringement against the patent of Hunan B Company. Thus, Hunan B Company required Guilin A Company to stop the infringement and compensate for losses. In August 2018, the CSRC received a report letter from Hunan B Company and learned the information of Guilin A Company being sued by Hunan B Company for patent infringement and was requested to invalidate its patent. On May 20, 2019, Hunan B Company submitted an application to withdraw Case No. 3843 after learning that its request for investigation and evidence-taking was refused by the Court. The Court approved the withdrawal.

The court of first instance held that, Hunan B Company, when initiating Case No. 3843, was exercising its legal right to sue, as its invention patent had been granted and in a valid state at the time, and there was no presence of subjective bad faith. Guilin A Company did not submit sufficient evidence to prove that Hunan B Company instituted legal proceedings with the knowledge that the patent in question lacked stability or for any unfair purposes beyond the litigation itself. The later withdrawal of Case No. 3843 by Hunan B Company was its normal exercise of its right to sue, which cannot prove that the litigation was malicious. Therefore, the judgment was made to reject all litigation claims of Guilin A Company.

Guilin A Company was dissatisfied with the first-instance judgment and appealed to the SPC, requesting to revoke the original judgment and secure support for its first-instance claim.

The SPC held that, for an intellectual property lawsuit to be deemed malicious, it must fulfill the following constituent elements: 1. The lawsuit is evidently lack of rightful or factual basis; 2. The plaintiff is aware of this deficiency; 3. Damage is caused to others; 4. There is a causal link between the lawsuit filed and the damage incurred. In identifying malicious lawsuits, the principles of caution and tolerance must be upheld. Failure to do so can not only undermine the full protection of civil rights but also introduce greater uncertainty into civil and commercial activities in society. The litigation competence of the concerned parties varies, often leading to adjustments in evidence submitted and the litigation action throughout the litigation process. The concerned parties have the right to choose when to file a lawsuit, what evidence to submit, or to withdraw the

lawsuit. It is difficult to determine that the party's intent in filing a lawsuit is to infringe the interests of others solely based on the party's reporting action, insufficient evidence submission, or withdrawal of the lawsuit.

In this case, first, it is difficult to determine that Case No. 3843 filed by Hunan B Company evidently lacks a rightful or factual basis. Hunan B Company had made a preliminary judgment on whether Guilin A Company constituted patent infringement. As the owner of the patent involved, when it discovers the possibility of infringement, it has the right to file a lawsuit. Thus, Case No. 3843 filed by Hunan B Company has a preliminary factual and legal basis, which is rational to some extent, and is not a groundless lawsuit without legal and factual basis. Second, it is difficult to identify that Hunan B Company filed Case No. 3843 with obvious bad faith. The two parties in this case had patent administrative disputes before Case No. 3843. Guilin A Company twice filed invalidation requests against the above patent of Hunan B Company with the CNIPA. It is undeniable that Hunan B Company's filing of the lawsuit and related reporting actions before Guilin A Company's public listing are measures to protect its rights, demonstrating a certain level of rationality. Third, Hunan B Company did not fabricate facts or make things out of thin air when reporting to CSRC, and it did not violate legal provisions. There is a reason to some extent for Guilin A Company not to promptly disclose relevant information related to the lawsuit: When Hunan B Company reported to CSRC, Guilin A Company hadn't received the indictment and other response materials for Case No. 3843; the report by Hunan B Company to CSRC was made after the acceptance of Case No. 3843. It was hard to deem the parties' behaviors clearly inappropriate. Fourth, Hunan B Company's submission of the withdrawal application with the Court of First Instance on May 20, 2019, was a practice of its right to sue, which is hardly inappropriate. The mere presence of reporting, litigation, and case withdrawal cannot support a claim that Hunan B Company filed the lawsuit with the intent to harm others rather than to protect its rights. In view of the above, it is not sufficient to identify Case No. 3843 filed by Hunan B Company as malicious. Therefore, the appeal was dismissed and the original judgment was upheld.

The second-instance judgment of the case clarified that a lawsuit is considered malicious only when the act conductor files a lawsuit knowingly lacks the rightful basis, factual basis, justifiable reasons, or knowing that the alleged infringer does not constitute an infringement, causing harm to the other party. This case highlights the judicial stance of not only protecting the right to sue and intellectual property rights in accordance with the law, but also regulating the malicious exercise of the right to sue and the abuse of intellectual property rights.

(2021) Zui Gao Fa Zhi Min Zhong No. 1353

### **Determination of Implied Patent License**

If the patentee proactively provides and intends for the accused infringer to implement their patented technical solution without disclosing their patent, and only requests infringement remedies after the accused infringer has completed implementation, the accused infringer's claim of having obtained an implied license from the patentee may be supported by the court.

In the appeal case between Appellant a Jiangsu Company and Appellees Xiamen A Company and Xiamen B Company, with a Hebei Company being Defendant in the original trial, and a C Company being Third Party in the original trial, the involved patent is an invention patent for a fence system (hereinafter referred to as the patent in question) owned by the Jiangsu Company.

The Jiangsu Company believed that technical solution used in the anti-climbing fence installed in a construction project in Fujian Province (hereinafter referred to as the project in question) falls

within the protection scope of the patent in question, and that Xiamen A Company and Xiamen B Company, which are respectively the delegated construction agency and the construction unit of the project, infringed upon the patent held by the Jiangsu Company and should bear corresponding liability for infringement. The Jiangsu Company filed a lawsuit with the court of the first instance, requesting an order for Xiamen A Company and Xiamen B Company to cease infringement and compensate for its economic losses (including reasonable enforcement expenses).

The court of the first instance deemed the actions of the Jiangsu Company as its license for the use of the patent in question in the project and ruled to dismiss the lawsuit.

The Jiangsu Company was dissatisfied and appealed to the SPC, arguing that their action of providing design drawings to the project design unit, C Company, should be considered as a commercial promotion activity recommending the patent in question, rather than offering a patent license.

The SPC, in the second instance, held that according to Article 11 of the Patent Law, “after the grant of the patent for an invention or an utility model, except where otherwise provided for in this Law, no entity or individual may, without the authorization of the patentee, exploit the patentee’s patent, that is, for production or business purposes, manufacture, 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.”

The key to determining patent infringement lies in whether the implementation of a patent has obtained license from the patentee. If the act conductor obtained an explicit license from the patentee, their act of implementing the patent naturally does not belong to patent infringement as prescribed by Article 11 of the Patent Law. If the act conductor implements the patent without an explicit license from the patentee, but, considering the specific case circumstances and the actions of the patentee, it can be inferred that the patentee has expressed their intention for implied license, the act conductor implementing the patent can be deemed non-infringing.

In this case, firstly, the Jiangsu Company provided the design drawings after the signing of the design contract between C Company and the project owner from Fujian Province. Additionally, the content of the relevant drawings clearly referred to the project in question, indicating that the Jiangsu Company was well aware that the design scheme offered to C Company would be used for the project in question.

Secondly, from February to October 2015, the Jiangsu Company continuously communicated with C Company regarding the designs of the project in question. During this period, the Jiangsu Company modified the design scheme based on the requests of C Company and finalized design drawings that clearly indicates technical requirements such as dimensions, material specifications, and style parameters for the anti-climbing fence. Thus, it can be confirmed that the Jiangsu Company, as the right holder, was deeply involved in the design work of the project in question.

Furthermore, upon investigation, it was found that the design scheme for the anti-climbing fence in the construction drawings of the project in question corresponds to the content sent by the Jiangsu Company to C Company via emails, which could be identified to be the patented technical solution in question. Moreover, both the delegated construction agency contract and the construction contract explicitly stipulate that this design scheme cannot be changed arbitrarily, so strict adherence to these contracts by Xiamen A Company and Xiamen B Company would inevitably result in the implementation of the patent in question.

Lastly, the Jiangsu Company, with full awareness that the specific unit in Fujian Province was both the project owner and user, chose not disclose the relevant patent information to this unit, Xiamen A Company, or Xiamen B Company. This deliberate concealment of these crucial facts deprived the specific unit in Fujian Province of opportunity to request for modifications to the design scheme from C Company before construction or to negotiate design fees. As a result, the patented technical solution included in the design drawings became an irreplaceable scheme of the project. It was not until approximately six months before the project completion that the Jiangsu Company sent a notification letter regarding the patent, seeking royalties. Such conducts contradict the principle of good faith and are highly likely to cause disputes.

Based on the above, considering that the patentee the Jiangsu Company was well aware that its design scheme was intended for the project in question and actively participated in the design work, and the project in question was constructed strictly following the drawings, it should be determined that the Jiangsu Company has given an implied license to the implementation of the patent in question by the relevant entities involved in the project. The claims made by the Jiangsu Company that Xiamen A Company, as the delegated construction agency, and Xiamen B Company, as the construction unit, infringed upon the patent in question lacks factual and legal basis.

The SPC, on December 15, 2022, ruled to dismiss the appeal and uphold the original verdict.

(2022) Zui Gao Fa Zhi Min Zhong No. 139

### **Expenses Incurred by the Patentee in Patent Invalidation Proceedings Are Generally Not Considered Reasonable Expenses for Protecting Patent in the Infringement Case**

In patent infringement disputes, the patentee's claims of including the expenses incurred in the patent invalidation proceedings as reasonable expenses for protecting the patent are generally not supported.

In the dispute over invention patent infringement between Appellant Liaoning A Company and Appellee Danyang B Company and Defendant of the First Instance Nantong C Company, an invention patent owned by Danyang B Company was involved (hereinafter referred to as the patent in question).

Danyang B Company claimed that the products, manufactured and sold by Liaoning A Company and sold by Nantong C Company, infringed upon its patent, and therefore filed a lawsuit with the court of the first instance. Danyang B Company requested an order for Liaoning A Company to cease infringement and compensate Danyang B Company for economic losses and reasonable expenses for patent protection, as well as for Nantong C Company to cease infringement and be held joint liability for the said compensation.

The court of the first instance concluded that the accused infringing products fell within the protection scope of the patent in question and constituted infringement. It ordered Liaoning A Company to cease the production and sale of the accused infringing products and compensate Danyang B Company with CNY400,000 for economic losses and CNY 110,000 for reasonable expenses for patent protection (including CNY100,000 spent by Danyang B Company to maintain the validity of the patent in the invalidation proceedings and CNY 10,000 for expenses for patent protection in this case). The court also ordered Nantong C Company to cease using the accused infringing products.

Liaoning A Company, dissatisfied with the judgment, filed an appeal with the SPC, arguing that the accused infringing products did not fall within the protection scope of the patent in question and that the awarded compensation amount in the first instance was too high.

On December 5, 2022, the SPC upheld the first-instance judgment that ordered Liaoning A Company to cease infringement and compensate Danyang B Company with CNY400,000 for economic losses. However, the SPC reduced the reasonable expenses for patent protection awarded to Danyang B Company to CNY20,000.

The SPC, in the second-instance judgment, concluded that the first-instance judgment had made an error in determining the reasonable expenses for patent protection incurred by the patentee during the litigation process.

Firstly, due to the limitations of the current system for patent examination, granting and confirmation, it cannot be guaranteed that when a patent is granted, all aspects of the patent that do not comply with the provisions of the Patent Law have been identified. Therefore, Article 45 of the Patent Law stipulates that “where, starting from the date of the announcement of the grant of a patent by the patent administration department under the State Council, any entity or individual considers that the grant of the said patent is not in conformity with the relevant provisions of this Law, it or he may request the Patent Reexamination Board to declare the patent invalid.”

Secondly, the patentee is legally entitled to exercise, license, or prohibit others from implementing their patent and gain or can expect to gain corresponding economic benefits from their patent. To safeguard these economic interests, the Patent Law stipulates that the patentee must pay annuities, which are necessary expenses for maintaining the validity of their patent. Additionally, expenses inevitably incurred by the patentee, including attorney fees, in response to invalidation actions that others took against their patent also fall under the category of necessary expenses for maintaining the validity of the patent.

Furthermore, any entity or individual has the right to request to declare a patent invalid. The patentee cannot demand that the party filing the invalidation request reimburses the necessary expenses incurred by the patentee to maintain the validity of their patent. Similarly, in patent infringement proceedings, the accused infringing party is also one of the entities or individuals specified in the aforementioned provision, without any distinction.

Lastly, Article 65(1) of the Patent Law stipulates that “... the amount of compensation shall include the reasonable expenses paid by the patentee for putting an end to the infringement.” According to this provision, reasonable expenses are incurred due to actions to prevent infringement. The request for patent invalidation is a legitimate exercise of the requester’s rights and does not constitute an illegal act resulting in legal expenses of the patentee. Filing an invalidation request is a lawful means for the accused infringing party to counter the infringement lawsuit filed by the patentee.

Therefore, it is not appropriate to demand, during civil litigation, the accused infringing party to pay the expenses that the patentee incurred in the invalidation proceedings simply because the accused infringing party has filed the patent invalidation request.

Furthermore, the litigation procedure for patent infringement disputes and the patent invalidation procedure are two separate procedures. Although they are somewhat related, it is not advisable to consider the expenses that the parties concerned incurred in the patent invalidation procedures as reasonable expenses in the patent infringement litigation procedures and support claims on such expenses.



In conclusion, the reasonable expenses that the patentee incurred in the patent infringement litigation procedure generally should refer to the direct costs incurred by the patentee to stop the accused infringing party's unlawful actions in that specific infringement case. The expenses related to the patent invalidation procedure, regardless of whether the requester of the patent invalidation is also the accused infringer, are generally not considered part of the patentee's reasonable expenses for protecting their rights.

(2022) Zui Gao Fa Zhi Min Zhong No. 1165

### **Holiday Notice 2025**

Please kindly be informed of the Chinese public holidays in 2025 as well as the working-day adjustment as follows:

<b>Holiday/ Working-day Adjustment</b>	<b>Date</b>	<b>Office status</b>
<b>New Year Day Holiday</b>	Jan 1, 2025	closed
<b>Chinese New Year Holiday (Spring Festival Holiday)</b>	Jan 28 - Feb 4	closed
Adjusted Working days	Jan 26 (Sunday) Feb 8 (Saturday)	<i>open</i>
<b>Qingming Festival Holiday (Tomb Sweeping Day)</b>	Apr 4 – Apr 6	closed
<b>Labor Day Holiday</b>	May 1 - May 5	closed
Adjusted Working day	Apr 27 (Sunday)	<i>open</i>
<b>Dragon Boat Festival Holiday</b>	May 31 – Jun 2	closed
<b>Mid-Autumn Festival Holiday &amp; Chinese National Day Holiday</b>	Oct 1 – Oct 8	closed
Adjusted Working days	Sep 28 (Sunday) Oct 11 (Saturday)	<i>open</i>

The CNIPA and our firm will close during the holidays and you may check if any important deadlines in 2025 fall in the holidays.