



Legislation and Amendment of China's Trademark Law and Patent Law

Professor Chen Meizhang
Peking University
November, 2007



1



Legislation and Amendment of China's Trademark Law and Patent Law

Syllabus

- I. Legislation and three amendments to China's Trademark Law
 - A. Legislative purpose of the Trademark Law
 - B. Background and major contents of the three amendments to the Trademark Law
 - C. Characteristics of the third amendment to the Trademark Law



2



II. Legislation and the three amendments to China's Patent Law

- A. Legislative purpose of the Patent Law
- B. Background and major contents of the three amendments to the Patent Law
- C. Characteristics of the three amendments to the Patent Law

III. Enlightenment from the legal amendments

- A. Intellectual property law is under constant amendment and perfection
- B. The system of intellectual property keeps innovating and developing
- C. The system of intellectual property pushes forward the development of civilization and society



3



I. Legislation and the three amendments to China's Trademark Law

A. Legislative purpose of the Trademark Law

- ▲ Trademark Law of China: enacted in 1982: came into effect on March 1, 1983

- ▲ Legislative purpose

- 1) To protect the exclusive rights to use trademarks
- 2) To maintain the interests of consumers, producers, and merchants
- 3) To guarantee the quality of goods and services, and the success of trademarks with good standing
- 4) To encourage fair competition and competition in the reputation of brands
- 5) To improve the legal environment and maintain normal market operations
- 6) To facilitate the development of the market economy in China



4



B. Background and major contents of the three amendments to the Trademark Law

- ▲ Trademark Law of China: enacted on August 23, 1982; took effect on March 1, 1983
- ▲ Trademark Law of China: more than twenty years experience since its enactment

Three amendments

- 1st amendment: February 22, 1993
- 2nd amendment: October 27, 2001
- 3rd amendment: 2006~2007 under amendment (Draft for soliciting opinions)



B. Background and major contents of the three amendments to the Trademark Law

a) The first amendment of China's Trademark Law in 1993

Content Item	The first amendment of the present Trademark Law of China
Time of Amendment	February 22, 1993 (The 34th Plenary Session of the 7th Standing Committee of the People's Congress passed a decision to amend the law)
Time of Taking Effect	Came into effect on July 1, 1993
Background of the Amendment	<ol style="list-style-type: none"> 1) Ten years have passed since its enactment, and the law has become unsuitable for the rapid development in the economy, trade and technology in China. 2) Cannot meet China's need to further reform and open up to the world. 3) China has entered quite a few treaties protecting intellectual property, and the national law shall be consistent with provisions in international treaties. 4) International pressure to protect intellectual property Negotiation between China and the U.S.





Contents Items	First amendment of the present Trademark Law of China
Major contents of the amendment	1) Added protection of “service trademark”. [4# (1)] 2) Added protection of “geographical names” [an extra sub-clause added to 8#] 3) Strengthened regulation of “authorized use/licensing” [an extra sub-clause added to 26#] 4) Established a system to “revoke/cancel improperly registered trademarks” [27# (1)] 5) Changed “categories of infringement” to define infringing acts [38#]

FOLEY
FOLEY & LARDNER LLP

7



b) The second amendment of China’s Trademark Law in 2001

Contents Items	The second amendment of the present Trademark Law of China
Time of amendment	October 27, 2001(The 24th Session of the 9th Standing Committee of the People’s Congress passed the decision to amend the law)
Time of taking effect	Became effective on December 1, 2001
Background of the amendment	1) China turned to a market-oriented economy and developed rapidly to adapt to it. 2) Upon accession into the WTO, China needed to connect international treaties and convention. 3) Inherently required by the development in economy, trade, and technology with the furtherance of reform and opening-up. 4) To enhance the dynamic and competitive power of enterprises in the market.

FOLEY
FOLEY & LARDNER LLP

8

	Contents	
	Items	The second amendment of China's Trademark Law
Major contents of the amendment	<ol style="list-style-type: none"> 1) Expanded the scope of subject that can enjoy the exclusive right to use a trademark [4# natural person can apply for trademark registration] 2) Expanded the scope of protection [8# tridimensional mark and mark associated with colors (three dimensional trademark and color combination trademark)] 3) Improved the process of registration [10# absolute reasons for refusal of registration, 11#, 12# and 13#, 15#, 16#] 4) Strengthened protection of the exclusive right to use trademarks [52#(2); 54#(4) definition of infringement; 39#, 53# administrative penalty; 55# investigation and punishment, 56# compensation] 5) Strengthened judicial protection [57#, 58# pre-proceeding injunction, preservation of evidence and property] 6) Protection of "geographic mark/indication" [3#, 16#] 7) Strengthened protection of "well-known marks" [13#, 14#, 41#] 8) Strengthened judicial supervision while changing the effect of the Trademark Review Committee's (Trademark Review and Adjudication Board) decision, which used to be final. [49#] 	
		9

	C) The third amendment of China's Trademark Law from 2006 to 2007	
	Items	The third amendment of the present Trademark Law of China
Time of amendment	2006~2007	Under amendment (the draft for soliciting opinions)
Time of taking effect	Expected to take effect in 2008	
Background of the amendment	<ol style="list-style-type: none"> 1) China has been in the WTO for nearly six years, and all the new problems and challenges pose the necessity for amendment; 2) The volume of trademark registration applications as well as applications of demurrer and review have greatly risen; delay in reviews brings tremendous pressure; 3) The market economy has been developing rapidly; trade frictions and international disputes over trademark have also emerged; 4) To open new markets and facilitate export, the law should be revised in line with international practice (such as the Singapore Treaty on the Law of Trademarks) 5) To adapt to modern communication methods such as electronic files and translations, remedial measures; 6) To facilitate the entrance of China's economy into that of the world, the registration process needs to be improved and simplified to be more efficient. 	
		10

TACPI TOKYO 2007		Content Item	The third amendment of the present trademark law of China	
Major contents of the amendment	1)	Period for review is shortened	i.	Process for substantial review/examination of prior rights is cancelled
			ii.	Process for demurrer/objection is perfected
			iii.	Process for divisional application is added
	2)	Simplified the process for rights-confirmation	i.	The three tiers of administrative processes in rights-confirmation shall be simplified.
			ii.	Position of the administration authorities in litigation shall be changed.
	3)	Strengthened protection	i.	Defined categories of trademark infringement
			ii.	Increased administrative penalties

FOLEY
FOLEY & LARDNER LLP 11

TACPI TOKYO 2007		Content Item	The third amendment of the present trademark law of China	
Major contents of the amendment	4)	Service efficiency improved	i.	Procedure for trademark registration simplified
			ii.	Processes for correction of mistakes, transference/assignment and joint registration are perfected
			iii.	Process of filing the Licensing Agreements on record is perfected
	5)	Connects with international practice such as with the Singapore Treaty on the Law of Trademarks	i.	The application of multiple-categories for one mark
			ii.	Remedial/Relief measures
			iii.	Opinion presentation before dismissal/rejection

FOLEY
FOLEY & LARDNER LLP 12



C. Characteristics of the third amendment to the Trademark Law

1. To revise the law for the development of China's economy
2. Understanding the Trademark Law's value influences protection of trademark rights
3. Protection of trademark rights in the internet environment
4. Protection of trademark rights that maintain public interest
5. Protection of well-known trademarks
6. Coordination between administrative and judicial protections
7. Protection and elevation of efficiency of the substance and process in trademark registration
8. Consistency with international conventions



13



II. Legislation and the three amendments to the Patent Law of China

A. Legislative purpose of the Patent Law

▲ Patent Law was enacted in 1984, and came into effect on April 1, 1985.

▲ Legislative purpose

1. To protect patent rights for inventions
2. To encourage invention, and facilitate application and prevalence of the inventions
3. To facilitate development in science and technology and to encourage innovation
4. To meet China's need in modern construction
5. To integrate China into the international society



14



B. Background and major contents of the three amendments to the Patent Law

- ▲ Patent Law of China: enacted on March 12, 1984
came into effect on April 1, 1985
- ▲ Patent Law of China: More than twenty years' experience since its enactment

The Three Amendments {

- 1st: September 4, 1992
- 2nd: August 25, 2000
- 3rd: from 2006 to 2007, under amendment
(the proposed draft has been submitted for review)



B. Background and major contents of the three amendments to the Patent Law

a) The 1st amendment in 1992

Item	Content
	1st amendment of the present Patent Law
Time of amendment	September 4, 1992 (The 27th Session of the 7th Standing Committee of the People's Congress passed a decision to revise the law)
Time of taking effect	Came into effect on January 1, 1993
Background of the amendment	<ol style="list-style-type: none"> 1) In the passing eight years since its enactment, the social environment in the aspects of economy, trade and technology has greatly changed. Therefore, the amendment of the law is imperative under the current situation; 2) International pressure for protection from the negotiation between China and the U.S. over intellectual property; 3) Need of China to further reform and open-up; 4) Need of China to gradually enter international pacts and treaties.



Contents Item	The 1st amendment to the Patent Law
Major contents of the amendment	<ol style="list-style-type: none"> 1) Scope of protection is expanded (drug, food, ingredients, and substances acquired through chemical methods) 2) Period of protection extended (20 years for invention patents, and 10 years for utility models and design) 3) Protection of rights to imports is added 4) Scope of method patent extended to products directly acquired through such method 5) Domestic right of priority are added 6) Pro-grant demurrer/objection is changed into post-grant invalidation

FOLEY
FOLEY & LARDNER LLP

17



b) The 2nd amendment in 2000

Content Item	The 2nd amendment to the present Patent Law
Time of amendment	August 25, 2000 (The 17th Session of the 9th Standing Committee of the People's Congress passed a decision to revise the law)
Time of taking effect	Came into effect on July 1, 2001
Background of the amendment	<ol style="list-style-type: none"> 1) Upon accession into the WTO, China needs to connect with international treaties and convention; 2) Required by China's transformation into a market economy and its rapid development; 3) Required by China's furtherance of reform and opening-up; 4) With legal protections, enterprises' competitive power will be strengthened.

FOLEY
FOLEY & LARDNER LLP

18



Contents Item	The 2nd amendment to the Patent Law
Major contents of the amendment	<ol style="list-style-type: none"> 1) Right to offer for sale is added 2) Cancellation process and invalidating process are consolidated 3) Judicial review (supervision) is strengthened, where the decision of the Patent Reexamination Board is no longer the final decision. 4) China shall perform its obligation as member of PCT 5) New research and search report system of utility model is added 6) Pre-proceeding injunction and preservation of property are added 7) Basis for calculation of damage for infringement is added 8) Integrated into the international society

FOLEY
FOLEY & LARDNER LLP

19



c) The 3rd amendment from 2006 to 2007

Content Item	The 3rd amendment of the present Patent Law
Time of amendment	Under amendment from 2006 to 2007 (the proposed draft has been submitted for review)
Time of taking effect	Expected to go into effect in 2008
Background of the amendment	<p>The Patent Law has needed to be improved since China entered the WTO six years ago</p> <ol style="list-style-type: none"> 1) Conditions for granting a patent are not strict 2) Patents for utility model and design are not stable 3) Protection of patent owners is not prompt and effective enough 4) Abuse of patent is not regulated 5) Coordination co-exists with conflicts 6) Volume of applications has greatly increased, and the process therefore need to be revised to increase efficiency.

FOLEY
FOLEY & LARDNER LLP

20

TACPI TOKYO 2007		Content	The 3rd amendment of the present Patent Law
Item			
Principle of amendment			<ol style="list-style-type: none"> 1) Harmonization of the interests between rights owners and the public 2) Harmonization of international and domestic developments 3) Harmonization of stability and adaptability of the law 4) Harmonization with normal international practice and rules 5) Innovation in the patent system meets China's needs
Major contents of the amendment			<ol style="list-style-type: none"> 1) Designated agency for applications with foreign factors is cancelled 2) Area limitations on existing technology and design is replaced by the criteria of absolute innovation/novelty 3) Invention/creation patent application filed with foreign authorities does not need to be examined and approved 4) Criteria of inventiveness in design patent is raised, and the infringement act is defined 5) The right to offer for sale of design patent owner is added 6) Contesting clause to the existing technology is added 7) Provision prohibiting malicious litigation is added 8) Exceptional provision concerning BOLAR is added (exceptions for drug and medical device experiment)

TACPI TOKYO 2007		Content
		<h3>III. Enlightenment from the three amendments to the law</h3> <h4>A. The Intellectual Property Law is under constant amendment and perfection</h4> <ol style="list-style-type: none"> a. Law is the product of history (from nothing to the emergence of law) b. Law develops in history (from elementary stages to advanced stages) c. Law is perfected in the course of social development (constant amendment)



B. The system of intellectual property keeps innovating and developing

- a. Science and technology keep innovating and developing
- b. Human society keeps developing
- c. The intellectual property system keeps innovating and perfecting



C. The system of intellectual property pushes forward the development of civilization and society

- a. The system of intellectual property facilitates the innovation of science and technology
- b. The system of intellectual property facilitates the development of power productivity
- c. The system of intellectual property facilitates the civilization and progress of human society



Thanks!

Goodbye!

November, 2007



25