

February 2025

Evolving Patent Landscape in PRC

James J Zhu, Ph.D.
Partner
JunHe Law Office

► Speaker BIO

01

Graduated from Fudan Univ (Shanghai) and went to CalTech for Ph.D. in 1988

02

Worked at Merck as a research scientist (1991-1995)

03

Studied at Columbia Univ. for JD/MBA (1995-1999)

04

Co-Founded/Managed two start-ups 1998-2001

05

Joined Perkins Coie Los Angeles (2002) and became the managing partner for its Beijing Office (2007-2010)

06

Have created and managed the IP practice group (>60 patent attorneys) at JunHe LLP (>1000 attorneys) since 2010



James J Zhu, Ph.D.

PARTNER

Email: zhuj@junhe.com / Tel: +1 650.265.2682 / Tel: +86 1367 166 2279

▶ Patent War Scenario

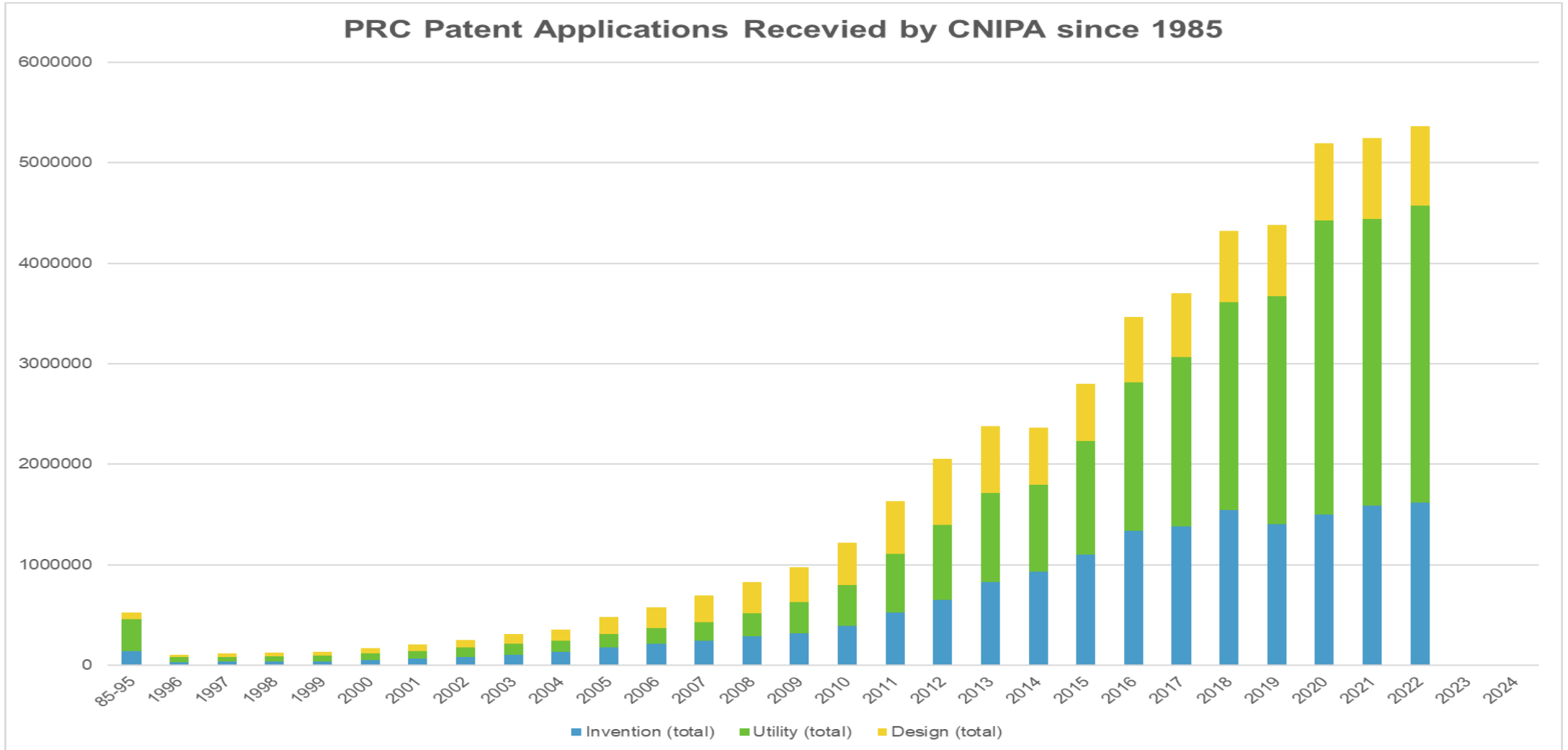
US Corp files a patent infringement actions against PRC Corp through

- 1) Unified Patent Court (UPC) in EU or injunctive relief in Germany; or
- 2) ITC or infringement case in the US; and/or
- 3) TRO with Amazon/Freezing account in Paypal.

While the cases are pending, the US CORP receives a surprising notice with a very short response time that the PRC Corp takes retaliatory actions (most time using its utility model patents) in China through

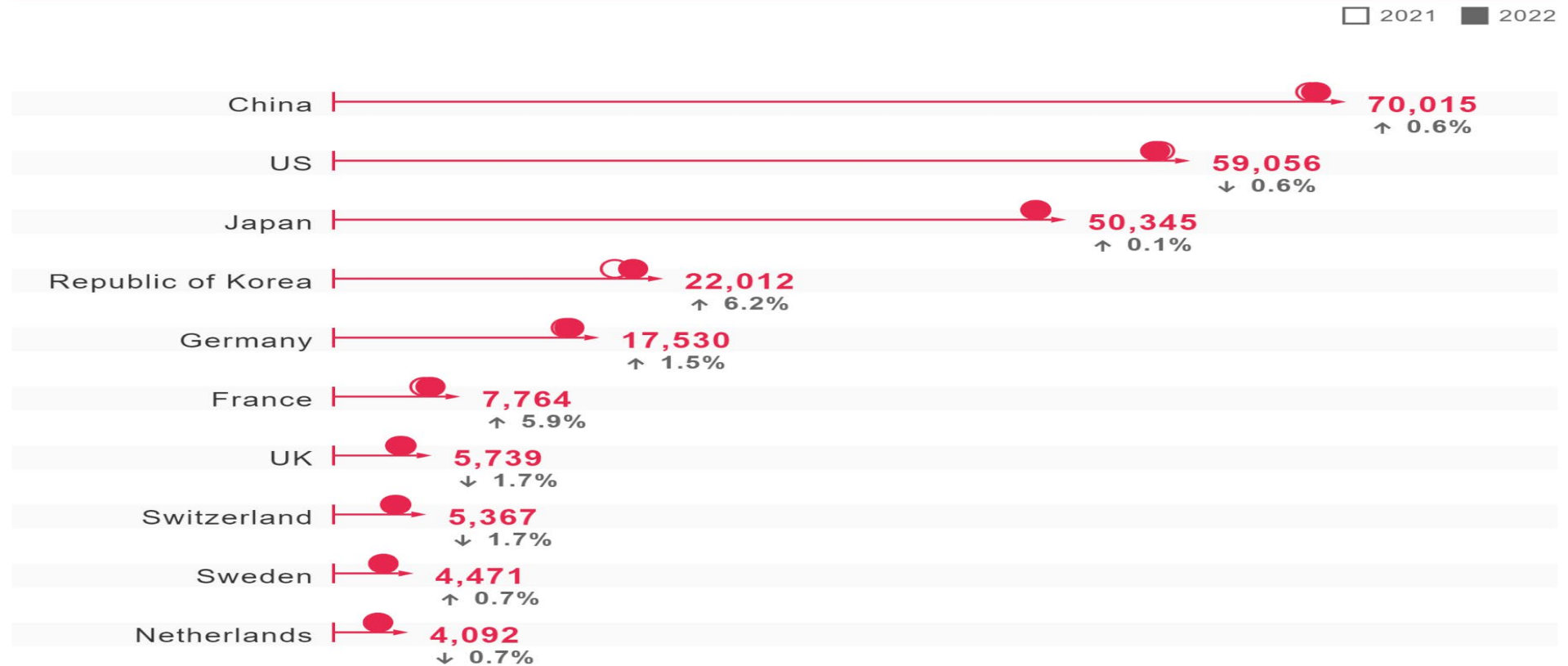
- 1) infringement action in a PRC court (~ 1 yr);
- 2) administrative action to injunct US CORP supply chain distribution in PRC (~4-6 mos);
- 3) request for delisting of US CORP products in T-MALL or JD or Alibaba (1-3 mos); and/or
- 4) invalidation proceeding with the PRC patent office against US Corp's PRC patents (<1yr).

▶ Growing number of PRC patent filings



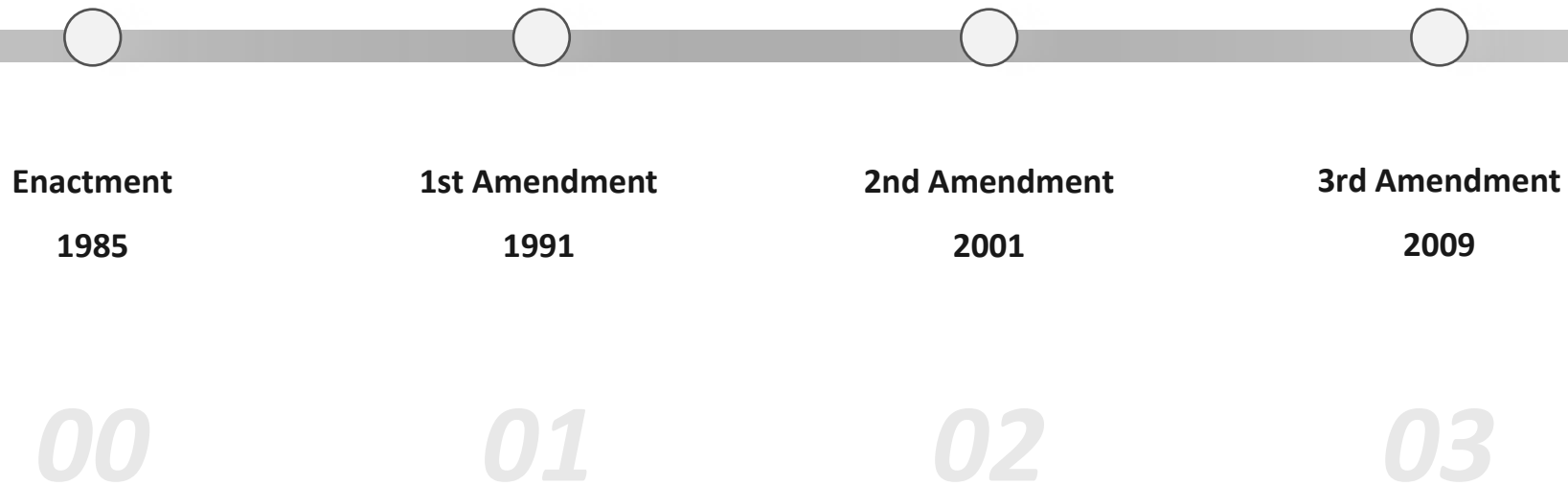
► PCT filings from PRC

Which countries are the biggest users of the PCT System?



An estimated 278,100 PCT international applications were filed in 2022, up 0.3% on 2021, maintaining an upward trend since 2010. Applicants from China filed the most PCT applications. The US, Japan, the Republic of Korea and Germany completed the list of the top five origins. The top 10 countries accounted for 88.6% of total applications in 2022.

► Evolving PRC Patent Law

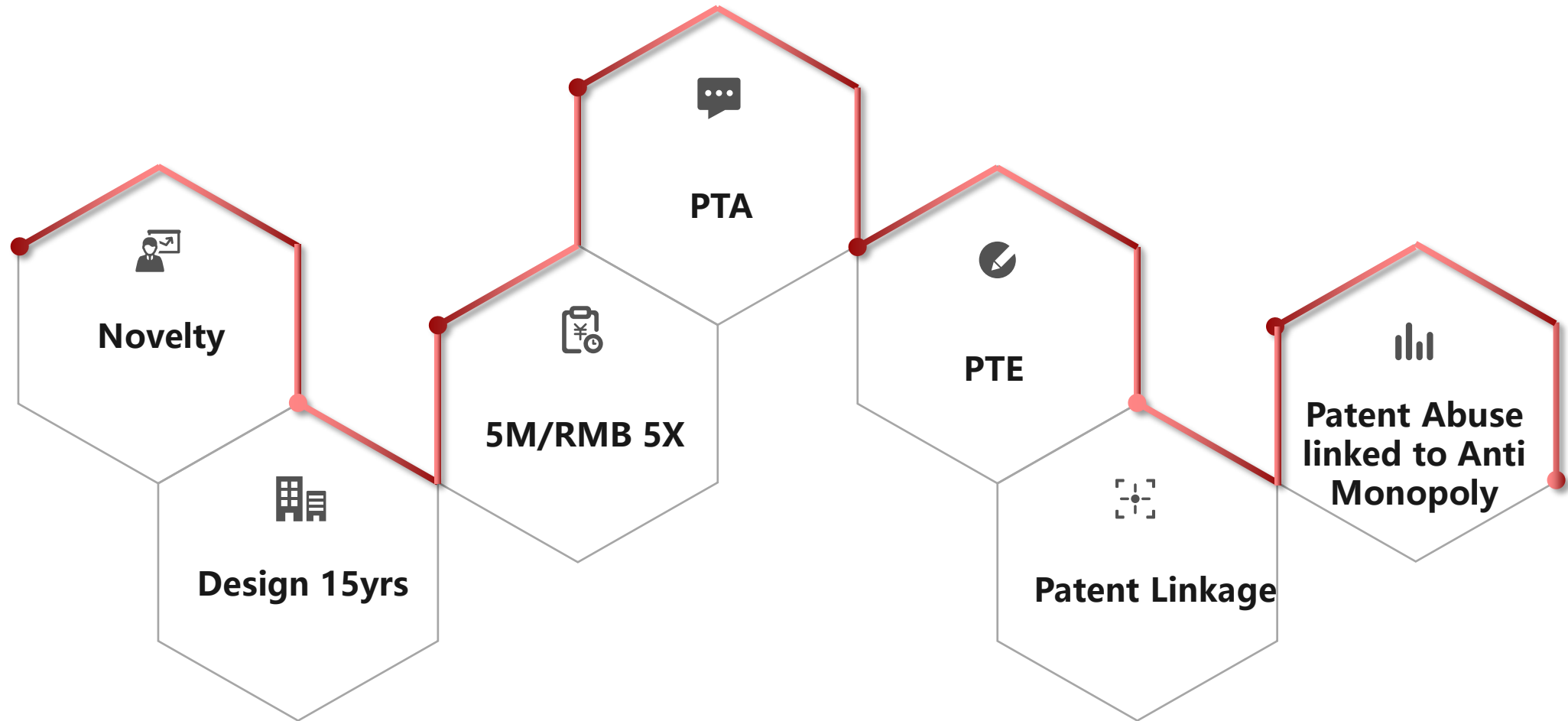


4th Amendment
2020
(effective on June 1, 2021)

04

The graphic features a background image of a golden statue of Lady Justice holding scales of justice, set against a dark red background. A white circle highlights the year 2020.

► 4th Patent Law Amendments – Key Changes



▶ Subject Matter & Prosecution

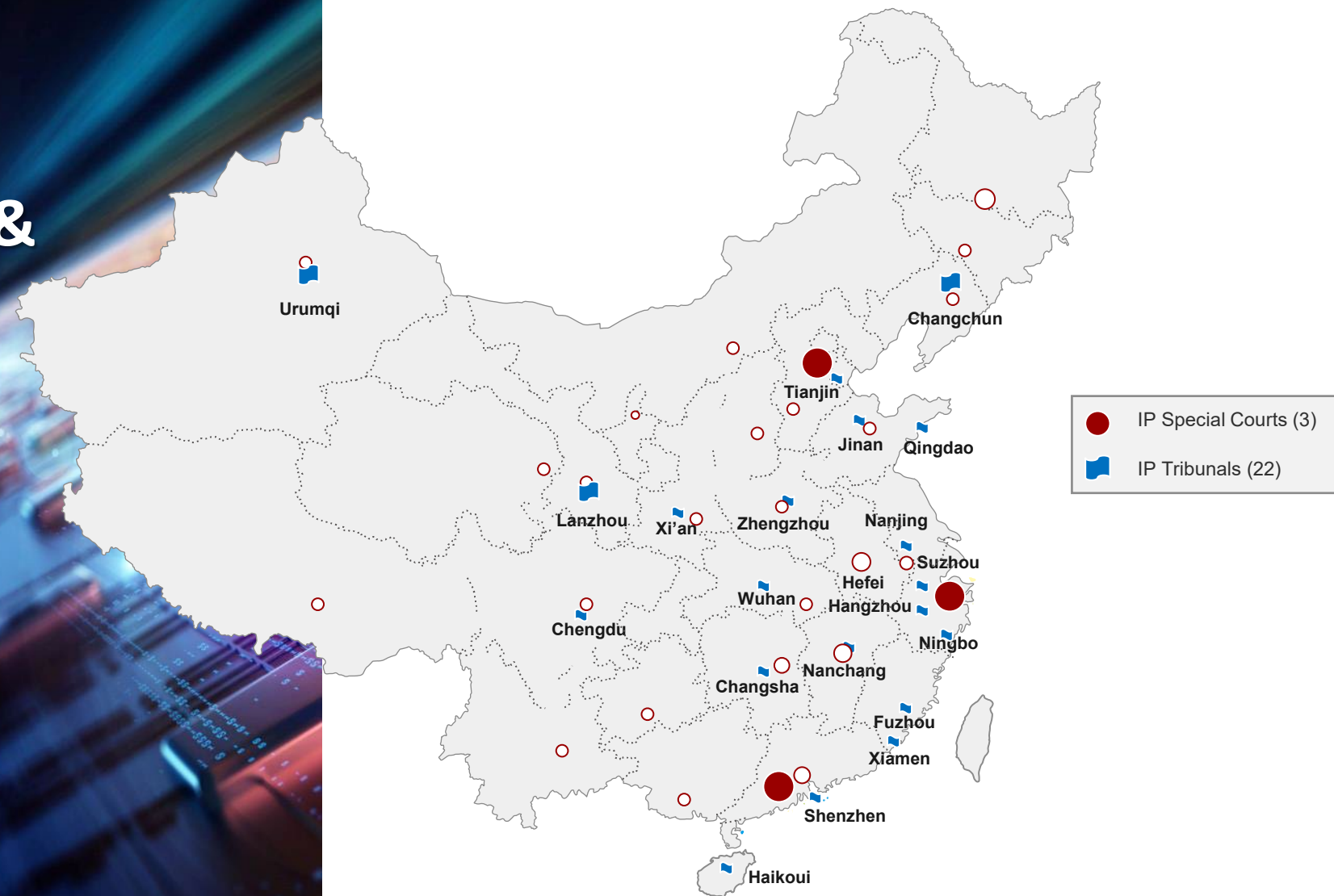
	US	CHINA
BUSINESS METHODS	Alice	YES
GENES	Myriad Genetics	YES
WD & ENABLEMENT 112(A)	Amgen	Sufficient Disclosure
Obviousness	Graham	Crystal Form, Dosage Post-Filing Data
Utility Model Patent	NO	YES

► Utility Model (UM) Patents in PRC

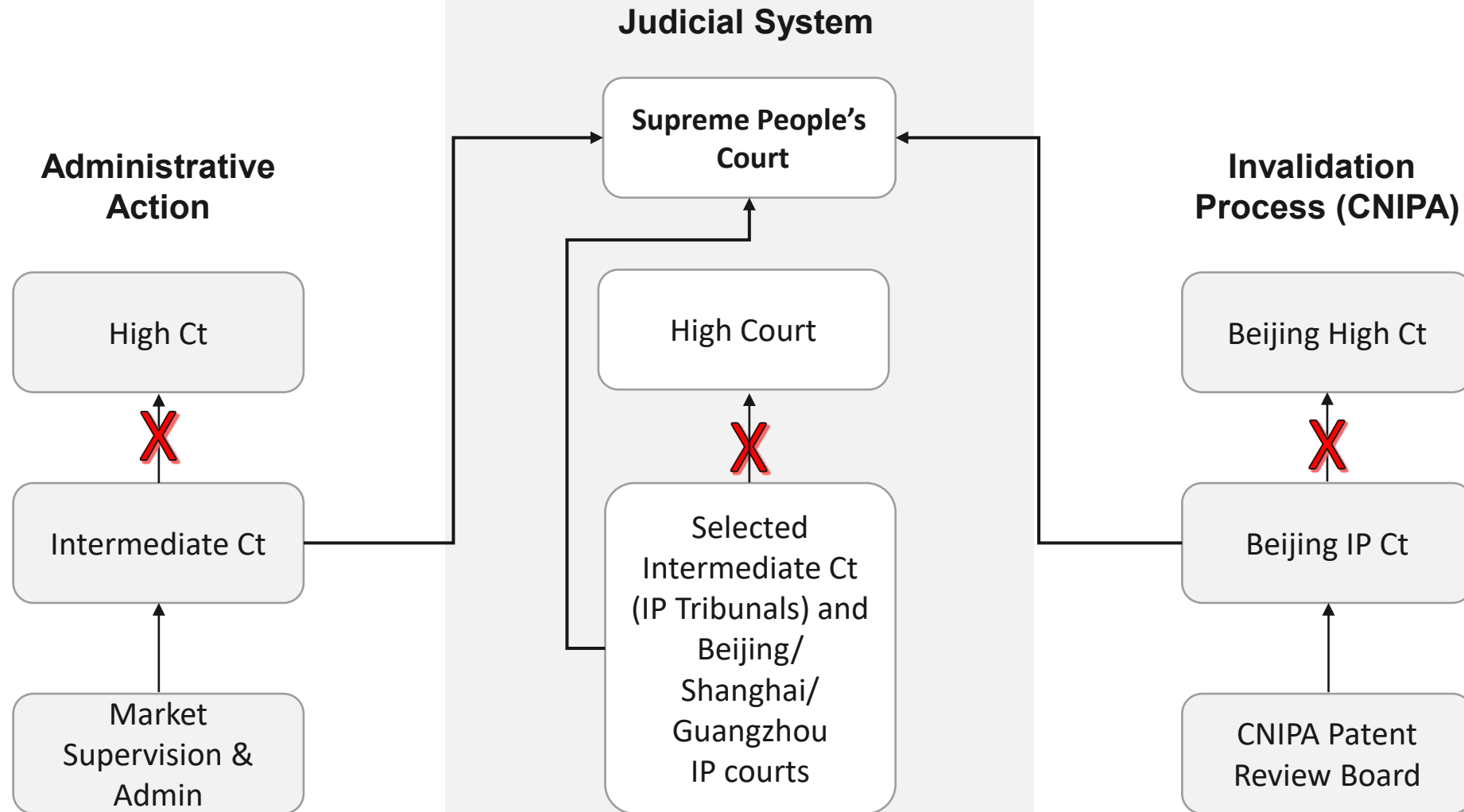
- **Device only** (not process or composition)
- Speedy **Allowance** (no substantive examination)
- **Patent Term** - 10-year (possible 20-year via Paris Convention and claim strategies for parallel invention patents)
- **Invalidation Harder** - lower obviousness standard & less prior art
- Mechanism to **avoid staying in litigation** due to invalidation proceeding
- Same **Injunctive Relief** as invention patents
- Unbelievable **underutilization** by Foreign entities (10K by foreign vs. 3M by domestic)



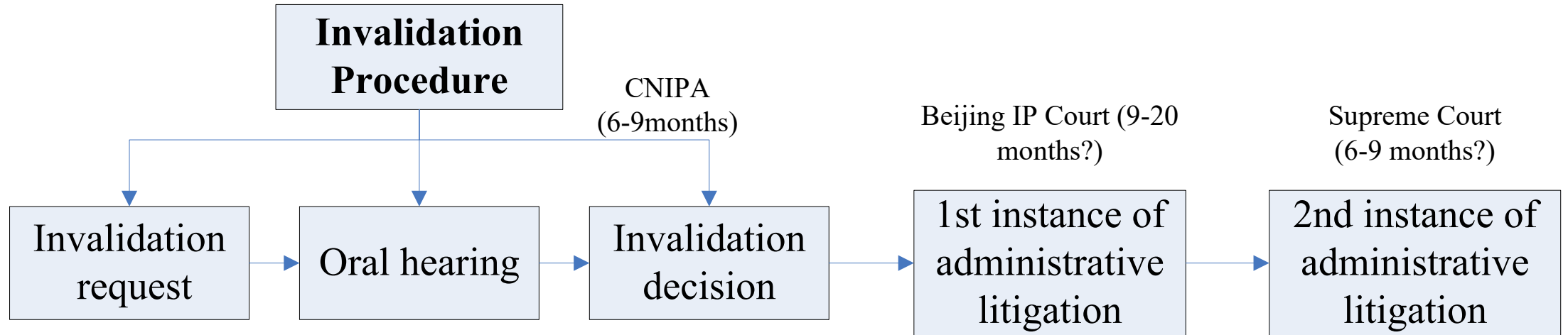
Consolidating Special IP Courts & IP Tribunals



► Patent Enforcement System



► Patent Invalidation (CNIPA)



- **Ground for invalidation: Novelty, Obviousness, Insufficient Disclosure, Lack of Secrecy review...**

► Speedy Enforcement (Key Difference)

	US	CHINA
Court System/Admin/Invalidation	Fed Dis- > CFCA -> SC	Int'l Ct/IP Ct- > SPC
	Court & PTAB	CINPA for invalidation
	ITC	Admin Bureau
Jurisdiction	Minimal Contact	Act of Infringement
Discovery	YES	NO
Jury	YES	NO
Markman Hearing	YES	NO
Technical Appraisal	NO	YES
Evidence	Via Discovery	Plaintiff's burden But may shift to Defendant (for damage & method claims)
Speed of Enforcement	Slow exp ITC	FAST (typical <1 year)
Service to Foreign Parties		Hague +express mail + email (1/1/24)
Permanent Injunction	Difficult (eBay)	Automatic (>90%)
Monetary Remedies	Significant up to 3X	Increasing up to 5X
Litigation Cost	High	Affordable

► Back to the Patent War Scenario

Know thy self, know thy enemy. A thousand battles, a thousand victories
By SUN TZU – The Art of War (500BC)

Increasing Patents & Utility Model Patents

Speedy Enforcement in favor of patent holders (4-6mos administrative, <1yr court)

Reasonable Cost (a fraction of the US cost)

Injunctive Power + Potential 5X Damage

Take into account possible retaliatory actions **before** taking actions in the US or EP

Understand defendant & its patent profiles in PRC

Know which patents the PRC Corp may use against your PRC distribution /supply chain

Prepare the defense (invalidation & non-infringement) if needed

Prepare the offensive strategies if needed or as a part of global negotiation

C ontact



www.junhe.com

US Mobile +1 8186362963

China Mobile +86 1367 166 2279

Email: zhuj@junhe.com

James J. Zhu, Ph.D.
Head of IP Practice

An aerial night view of a city skyline. A prominent blue skyscraper with a jagged top is on the left. The city is illuminated with lights from buildings and streets. A yellow horizontal bar is positioned across the middle of the image.

谢谢

Thank you!

J U N H E L L P

君合 JUNHE | 君合律师事务所