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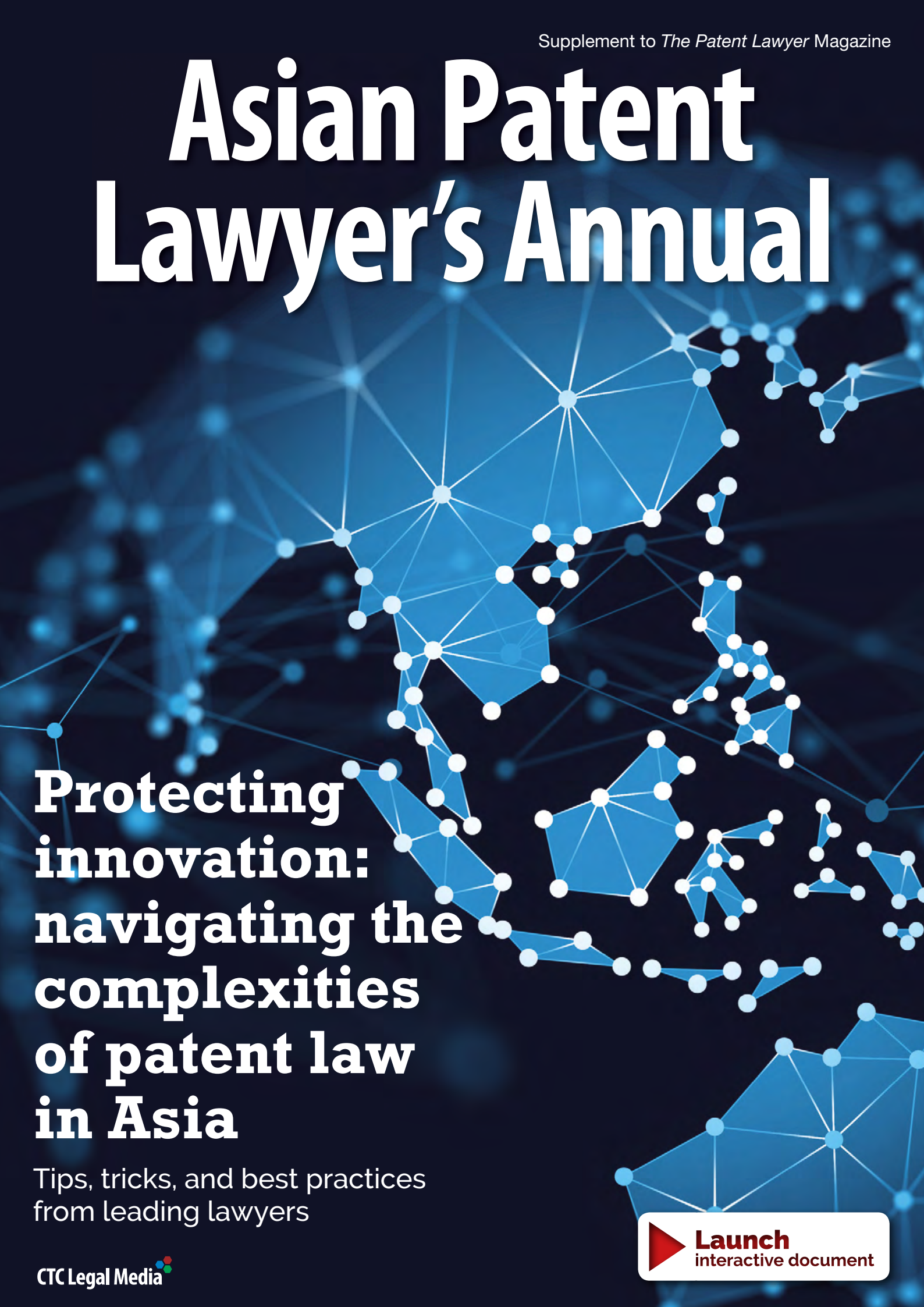
Asian Patent Lawyer's Annual



Protecting innovation: navigating the complexities of patent law in Asia

Tips, tricks, and best practices from leading lawyers

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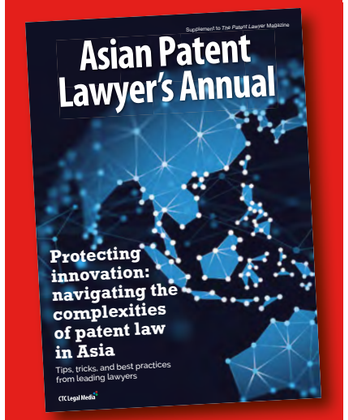

ASIAN PATENT LAWYER'S ANNUAL

Editor & COO
Faye Waterford
faye@ctclegalmedia.com
Publishing Director
Chris Dooley
chris@ctclegalmedia.com
Publishing Sales Manager
Katie Kerr
katie@ctclegalmedia.com
Head of Digital
Ellen Peet
ellen@ctclegalmedia.com
Finance Director
Carla Dooley
accounts@ctclegalmedia.com
Subscription Enquiries
subscriptions@ctclegalmedia.com
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Editor's welcome

Welcome to the 2024 edition of the *Asian Patent Lawyer's Annual*. With Asia continuing to be a powerhouse when it comes to innovation, we bring you this special issue to provide guidance from leading experts on patent law in Asia.

We begin with an evaluation of the *Nokia v. Oppo* case to assess the current responsibilities of licensors when it comes to SEPs, considering the Deli High Court's finding that SEP holders are in fact entitled to pro-tem security payments.

From here, Clarivate delves into protection strategy in Asia, assessing forms of protection and their benefits including an analysis of utility models and explanation of why these are particularly popular in China, drawing on data relating to the successful protection of IP.

> ***A case study on patent invalidation in China.***

Then to an informative conversation with EAPO President to detail the benefits of registering for a Eurasian Patent; alongside this sits a review of the advantages and disadvantages of Russian utility models to both Russian and foreign applicants.

Also find a case study on patent invalidation in China relating to priority right claiming in the so-called patent 'land rush', reviewing embodiment and scope of protection to provide a clear standing point.

Then finally, a review of the BPTO's 2023-2026 strategic plan to evaluate the plans to extend the support offered to the protection of IP in Brazil that can benefit foreign filers.

Enjoy the issue.

Faye Waterford, Editor

Mission statement

The Patent Lawyer educates and informs professionals working in the industry by disseminating and expanding knowledge globally. It features articles written by people at the top of their fields of expertise, which contain not just the facts but analysis and opinion. Important judgments are examined in case studies and topical issues are reviewed in longer feature articles. All of this and the top news stories are brought to your desk via the printed magazine or the website www.patentlawyermagazine.com

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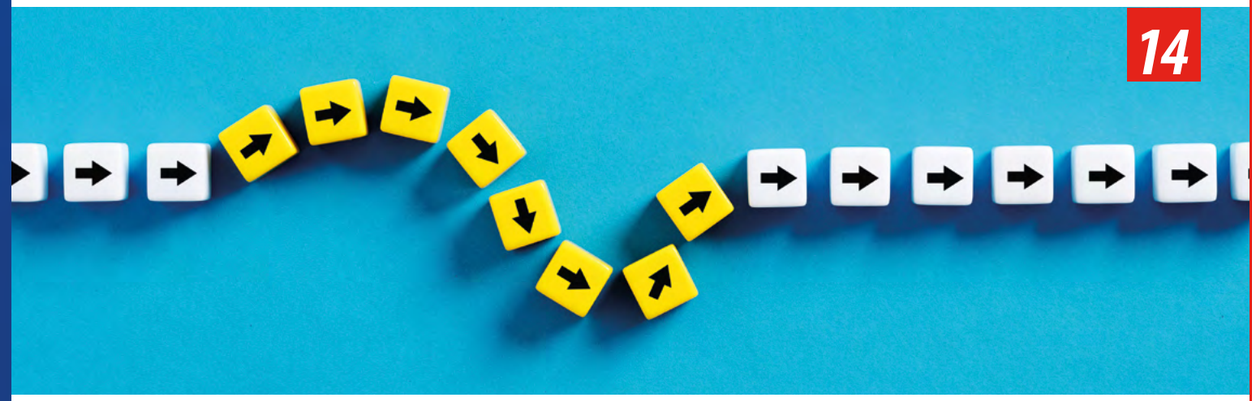

SEP holders entitled to pro-tem security payment according to Delhi High Court

Manisha Singh and Virender Singh of LexOrbis evaluate the *Nokia v. Oppo* case, which drew on rulings from the *Intex v. Ericsson* case, to assess the current responsibilities of licensors when it comes to SEPs to ensure infringement is avoided at the end of an agreement.

A division bench of the Delhi High Court ('Court') in its judgment dated 3 July 2023, in the matter of *Nokia Technologies OY v. Guangdong Oppo Mobile Telecommunications Corp Ltd & Ors.*, ruled that payment of pro-tem security is the implementer's obligation in the negotiation phase itself of a Standard Essential Patent (SEP) infringement suit. The division bench of Justice Manmohan and Justice Saurabh Banerjee clarified that, depending on facts, the Court has the power to pass a Pro-Tem Order in order to balance the interests of both parties.

Manisha Singh

Virender Singh

Factual matrix

Nokia and Oppo entered into a cross-license agreement for use of Nokia's SEPs in 2018 for a period of three years which expired 30 June 2021. Nokia filed the underlying suit for infringement of its three SEPs upon failure of execution of a fresh license agreement between the parties. The underlying suit was filed before a Single Judge in July 2021. The Single Judge dismissed Nokia's application stating that the court lacked the power to do so without examining the merits of the case. The Appellant, Nokia, then filed the present appeal before the division bench against the order dated 17 November, 2022 passed by the Single Judge.

Pleadings and arguments on behalf of Nokia

Nokia contended that while seeking the pro-tem deposit, sufficient facts and law had been pleaded by it before the learned Single Judge. Nokia submitted that admitting to the past licensor-licensee relationship between the two companies, Oppo had also offered to make payments of royalties for a fresh license. It was further contended by Nokia that international and local jurisprudence mandate payment of security deposits by an implementer of SEPs at the pro-tem stage in almost all cases. Nokia stated that Oppo had been subject to injunction orders in Germany as it had been found to be an unwilling licensee by the Courts in Germany.

Nokia further contended that most of the issues raised in the present appeal have been recently decided by the Court in *Intex Technologies (India) Ltd. v. Telefonaktiebolaget L.M. Ericsson* and are no longer res integra. Relying on the judgment in *Intex v. Ericsson*, Nokia stated that the jugement specifically held that implementers of SEPs are obligated to furnish security to the owner of the SEP. Lastly, citing the unstable financial condition of Oppo India, Nokia contended that it is also important to secure Nokia's interests and an order for deposit of money on a pro-tem basis won't enrich Nokia's account as it will only be deposited in the Court.

Oppo's arguments

Oppo argued that a patent holder cannot seek an interim or even a permanent injunction as a matter of right in SEP matters. Comparing a pro-tem arrangement to a conditional injunction order, Oppo submitted that before the grant of relief, the plaintiff must pass the four-fold test stipulated by the learned Single Judge. Oppo further argued that there can be no finding of "unwillingness" prior to an assessment of the infringement, essentiality, and validity claims made by an SEP holder which is in accordance with the judgment in *Intex v. Ericsson* and is also a consistent practice across the world.

Oppo contended that only on the basis of Oppo being an ex-licensee or having admitted an obligation to make interim payments, a *prima facie* case cannot be said to be established against Oppo. Arguing further against the pro-tem security deposit, Oppo submitted that the claimed assurances given to make interim payments cannot be construed to be an admission of any liability or requirement to submit any deposits during litigation in Court as the same were made in an effort to settle the dispute outside of litigation.

Court's analysis and findings

The Court, after hearing both parties, held that payment of a pro-tem security is the implementer's obligation in the negotiation phase itself. The implementer cannot continue to derive benefit by using the SEP technology without making any payments for such use if the negotiations between the parties fail. The Court, referring to *Intex v. Ericsson*, affirmed that the Indian Courts have the power to pass deposit orders even on the first date of hearing, if the facts so warrant. The Court observed that it takes time to examine various aspects on merits for deciding an application for interim relief and if no security is offered to the SEP holder during the interregnum, the implementer gets an unfair advantage over the SEP holder as well as other willing licensees in the market.

Résumés

Manisha Singh, Partner

Manisha is known to be one of the most reputed lawyers in the intellectual property domain, with a decorated career of over 25 years. She has served as a vital advisor to corporations and research organizations in handling intellectual property matters and developing strong IP portfolios. She is ceaselessly engaged in endeavors to strengthen India's IP protection and enforcement system to align it with international standards and work closely with industry associations and the government. Manisha has served as the leading counsel for a client base in over 138 countries in their IP management and litigation matters. She is identified by her clients as a seasoned and reliable counsel for the prosecution and enforcement of all forms of IP rights, and planning and management of global patents, trademarks, and designs portfolios. She has also led numerous negotiation deals on behalf of her clients for both IP and non-IP litigation and dispute resolution.

Virender Singh, Associate Partner

Virender is a registered Indian patent agent and an Advocate with a graduate degree in Electronics & Communication Engineering. Virender is a member of the Delhi High Court Bar Association. He has more than 16 years of rich experience in the field of intellectual property and a total experience of more than 18 years including corporate and academic experience. His expertise includes end-to-end portfolio/asset management for big corporations, patent prosecution, innovation management, IP strategy, and patent search and analytics. He has substantial experience in prosecuting international patent applications before the USPTO, EPO, etc., and national phase applications before the Indian Patent Office. He has worked closely with several national and international clients to manage their patent portfolios. Virender also speaks at various seminars/conferences and actively publishes articles on various subjects related to patents.

The Court clarified that a pro-tem security order does not confer any advantage upon an SEP holder as it only balances the asymmetric advantage that an implementer has over an SEP holder. Further, it clarified that a pro-tem security order is not like an injunction order as it does not stop or prevent the manufacturing and sale of infringing devices. The Court also clarified that Section 140(1)(iii)(d) of the Patents Act is not applicable to the facts of the present case as the said Section only prevents a patent licensor from including terms that prevent a challenge to the validity of the patent in question in a license agreement. The said Section does not warrant that an ex-licensee shall not be required to provide pro-tem security payment, at the interim stage, to the SEP holder.

Further, the Court, in agreement with Nokia's contentions and referring to the judgment in *Intex v. Ericsson*, held that the four-fold test as stipulated in the impugned judgment passed by the learned Single Judge is contrary to law. The Court, while taking into account Section 151, Order XII Rule 6, Order XXXIX Rule 10 CPC held that Indian law under the said sections empowers the Courts to pass orders for deposit of a pro-tem amount with the court in case the Defendant admits that it owes money to the Plaintiff. The Court stated that in view of the suit filed by Oppo in China for the determination of the FRAND rate and the fact that Oppo had already paid a royalty for three years without raising any dispute over the essentiality or validity of Nokia's patents at any stage earlier, a *prima facie* case of infringement can be made out in the present case.

> **An SEP holder can secure an injunction even if the infringement of one patent is established either *prima facie* or at the final stage.**

Conclusion

The Court, while holding Oppo an unwilling licensee, held that an SEP holder can secure an injunction even if the infringement of one patent is established either *prima facie* or at the final stage. The Court while allowing the appeal observed that the impugned judgment is contrary to the facts as well as settled principles of law. Further, the Court directed Oppo to deposit 23% of the amount Oppo paid under the expired 2018 License Agreement within four weeks as the portion of Oppo's sales in India is 23% of its global sales.

Contact

LexOrbis
709/ 710, Tolstoy House, 15-17, Tolstoy Marg, New Delhi- 110001, India
mail@lexorbis.com
www.lexorbis.com

Cheap and cheerful: utility models, international, and transnational IP protection strategy

Thomas Lunde and Eric Sergheraert of Clarivate assess utility model protection, particularly favorable in China, and provide advice for global IP strategy based on the most recent findings on the successful protection of innovations.

What's your strategy for using utility model protection, and how does it fit within your overall international and transnational IP protection strategy?

If utility models are not part of your current IP strategy, you (and your clients) might be missing the boat. If you know what they are, you might be surprised at some of the recent trends in their litigation and how they fit into a robust IP international IP strategy. If these two sentences sparked your curiosity, I recommend you read on. Remember: business is global these days, so your IP strategy better be, too.

Patent attorneys from every jurisdiction hear "intellectual property" and often mentally substitute it for 'patent' (while being fully aware of other IP assets such as trademarks, trade dress, protected designs, and copyright). Practitioners in the United States (US) may especially speak of 'utility patents' as opposed to plant patents and design patents, but they tend to overlook the protection offered by 'utility models' for the simple reason that such a statutory right does not exist in the US.

Experienced Asian patent attorneys will be familiar with utility models because China is, by far, the number one jurisdiction using these. Quite a few countries have (or have had, in the case of Australia) a way to protect inventions that's cheap and cheerful. Sometimes known as a 'petty patent', an 'innovation patent', a 'short-term patent', a 'minor patent', a 'small patent' or 'Gebrauch-smuster', all these can be considered a kind of utility model protection. In general, they're faster to grant and cheaper to get, but offer a shorter term of protection.

Thomas Lunde

Eric Sergheraert

So, why not both?

In China, you can have it all. Since 2009, under Article 9 of the amended Chinese patent law, it is possible to file for protection with both a utility model patent and an invention patent - provided the dual applications are made by the same applicant on the same day. However, only one of these protections can be in force at any given time for any one invention. So, upon notice from the patent office of the intent to grant the invention patent, the applicant must choose to abandon the utility model (assuming that it is still in force) in favor of allowing the invention patent to grant. Other options include amending the claims of the utility model or abandoning the invention patent application in favor of the utility model. Given this flexibility, it's no wonder that the usage of utility models has skyrocketed from about 250,000 in 2009 to around 2,500,000 annually since 2020. (See Figure 1)

In other Asian countries such as Japan, South Korea, Malaysia, and Thailand, you can opt for the conversion (at least one way or the other) between a utility model and a standard patent. More than 100,000 utility models have been secured in Japan and South Korea. Outside of Asia, you can find 20,000 to about 200,000 utility models in each of Germany, Russia, Ukraine, Spain, Brazil, Austria, and Poland. (See Figure 2 & 3)

But do they work?

If the order of magnitude increases in their usage in China over the last decade or so doesn't have you convinced that they could be a useful part of your IP protection strategy, consider this: even though interest in obtaining utility model protection in China has risen tenfold since 2009, the number of utility models that turn up in IP cases has only doubled. So, one can infer that, generally, they're doing the job of offering protection without expensive enforcement actions.

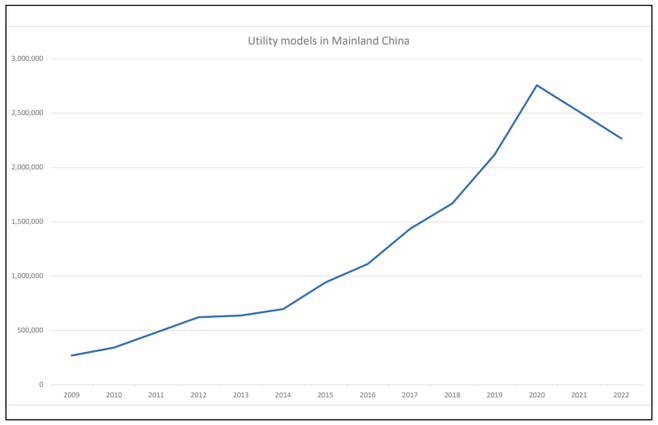

Figure 1. Source: Derwent Innovation, Clarivate

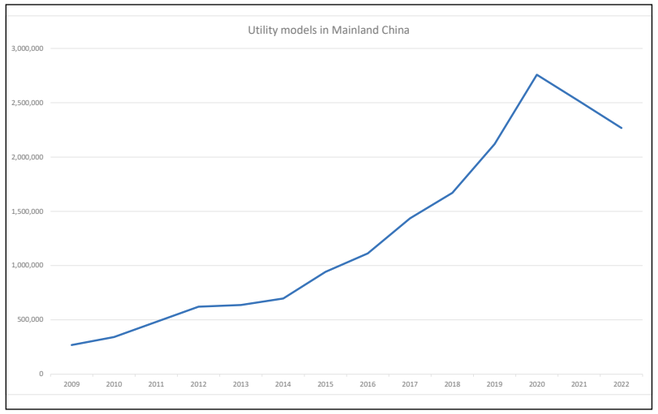

Figure 2. Source: Derwent Innovation, Clarivate

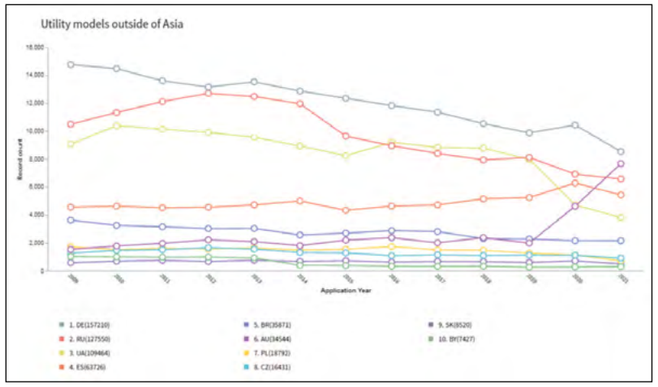

Figure 3. Source: Derwent Innovation, Clarivate

Résumés

Thomas Lunde, Senior Business Solution Consultant, IP Intelligence

Thomas is a registered US patent attorney and is admitted to practice law in New York and Minnesota. Prior to joining the company in 2005, Thomas handled patent prosecution and litigation matters in private practice for an IP specialist law firm and, prior to attending law school, he worked in Silicon Valley in a variety of technical roles. He attended the University of Iowa, earning double degrees in Computer Science and Political Science, and the Cardozo School of Law. Thomas also holds an MBA degree in Finance.

Eric Sergheraert, Director, Litigation Content Strategy, IP Group

Eric is a Doctor of Pharmacy (PharmD) and a Doctor of Law (Phd) and holds the certificate of aptitude for the profession of lawyer (CAPA) and a Diploma in Patents from CEIPI (the Centre for International Intellectual Property Studies in Strasbourg). He has 20 years of experience in the intellectual property profession and has worked in the IP service of the Macopharma Pharmaceutical Laboratory, the firm EGYP (IP consultants), and the law firm Véron & Associés. He is Professor at the University of Lille (France) and Director, Litigation Content Strategy, IP Group at Clarivate.

Another reason for the much slower growth in litigation for utility models than in the number of utility models is where the burden lies. Utility Models are faster and cheaper to get, in part, because there is no substantive examination prior to grant. However, to enforce a utility model in a court or via administration actions, the patentee must obtain a utility model evaluation report from the China National Intellectual Property Administration (CNIPA). This is essentially an office action for a substantive examination with a high fee. The report fee is almost the same as a patent examination fee and, just as with regular patent examinations, there can be uncertainty here where a favourable evaluation report for the utility model is not guaranteed. By contrast, the barrier to filing an infringement suit in a US District Court or a challenge within the United States Patent and Trademark Office (USPTO) is relatively low. In short, the enforceability of a granted

utility model has to be confirmed by an examination and uncertainty is inherent in a granted utility model because of the lack of a substantive examination.

Dyson experienced first-hand how utility models can help enforce IP rights quicker and more efficiently in China. In an article, a Dyson representative noted "We launched our fans in 2009, and by 2010 we were seeing replicas being made in China. We had design protection in place to prevent lookalikes, but the patent applications were still going through the system so we had to wait before we could take action against products that looked different but used the same technology. Utility models do fulfil a useful function. They enable us to be able to stop copies quickly by ensuring we have enforceable rights in place in the key territories before we launch a product."[1]

Or consider the experience of a smaller company like Yuandesheng Plastic Electronics (Shenzhen) Co., Ltd., an affiliate of Winners' Sun Plastic & Electronic (Shenzhen), who took a much bigger one (China Telecom) to court. On Jan 18, 2017, there was a hearing and on June 30 a decision was issued. It was appealed, but that decision was rendered Nov 22, 2017. So, in less than a year, the smaller company enforced its utility model rights[2]; it secured a monetary judgment, and that decision was upheld on appeal[3]. The selfie stick at issue was covered by utility model CN204119349U[4].

To see how a US-based firm might take advantage of Chinese utility models, let's take a look at an invention described in the Derwent World Patents Index as an *"Earphone, has nozzle fitting inside outlet and providing rigidity such that passageway retains specified shape or volume such that earphone provides acoustic performance that is not appreciably affected by changes in users ear size."* Bose filed a US provisional application on August 16, 2010, followed by a regular application four days later. As day follows night, a Patent Cooperation Treaty (PCT) application was filed a day prior to the year anniversary of the US Provisional, on August 15, 2011. Interestingly, another PCT was filed three days after that and, with that, nothing further happened in the US for a while. Bose was able to indicate that the invention was "Patent Pending" in the US but with so many headphones manufactured in China, the Bose team secured Chinese Utility Model CN202121744U on Jan 18, 2012.

What's the litigation landscape for utility models?

The Clarivate Darts-ip database shows that about 55% of the cases involving utility models in China are for invalidity/cancelation and about 42% are for infringement; the remaining 3% are a grab bag of actions relating to ownership, inventorship, contract disputes, etc. (See Figure 4)

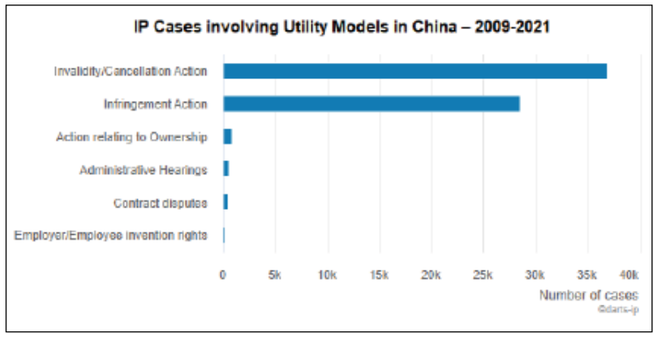

Figure 4: Source: Darts-ip, Clarivate

> **Utility Models are faster and cheaper to get, in part, because there is no substantive examination prior to grant.**

In South Korea, there's a notable inclusion of another procedure. This is "a trial to confirm the scope of a right" and it makes up about 20% of the cases involving utility models. But the two largest categories are the same as in China; 40% of the cases are for invalidity/cancelation and about 9% are for infringement; the remaining 12% are a grab bag of actions relating to administrative hearings (decisions of First instance that refuse to grant a patent and appeal against those decisions), ownership, inventorship, contract disputes, etc.

The landscape on appeal is interesting in China where we observe that as more and more invalidity cases are filed, appellate jurisdictions are significantly less patentee friendly compared to first instance jurisdictions; the overall appeal rate is 11.5%.

Within invalidity cases, the percentage of utility models and patents revoked before the Reexamination and Invalidation Department of the Patent Office is 51%, 13% less than before the Beijing IP Court. Looking at this another way, there is a significant difference of nearly 15% in that about 27% of patents are maintained (without any reduction of the scope) in proceedings before the Beijing IP Court whereas more than 41% of patents are maintained (without any reduction of the scope) in proceedings before the Re-examination and Invalidation Department of the Patent Office.

It is important to note that, when the Reexamination and Invalidation Department of the Patent Office maintains the patent (all types) in first instance there are very few appeals: only about 8% of decisions are appealed. As one might guess, when the first instance tribunal totally or partially revokes the patent, the appeal rates are higher at about 15%.

Digging further into the comparison between the two types of IP protection, when a utility model is maintained in the lower tribunal then just 7.5% of decisions are appealed (as compared to 12.6% of decisions being appealed when the utility model is revoked in the lower tribunal). When a patent is maintained in the lower tribunal then just 13.6% of decisions are appealed (as compared to 32% of decisions being appealed when the patent is revoked in the lower tribunal).

What about litigation that would involve more than one country & more than one piece of IP?

Litigation in any given jurisdiction will generally only concern the patent documents in that jurisdiction. Occasionally, a foreign patent is introduced as evidence that something is known to a party at a specific time, or to the world at large, but it is very rare that patent documents from outside a given jurisdiction are considered in that jurisdiction's tribunals.

Transnational patent litigation is growing, but it is not yet typical. 20 years ago, it was just a bit above five percent: one in 20 IP cases involved more than one member of a patent family. More formally, the average patent family in litigation involved 1.06 members in 2003. By 2022, the average patent family in litigation involved 1.29 members. In other words, litigation activity in multiple jurisdictions for the same invention is happening a lot more frequently than in the past.

When you can choose where to litigate, what's your choice?

A complete IP strategy will address securing rights and managing risk in all of the jurisdictions of commercial interest for an invention. Therefore, one may have a preference as to where to use IP rights to fend off would-be infringers and competitors.

One basis for choosing is the likely outcome in each jurisdiction. If we focus on inventive step/non-obviousness situations and compare invalidity cases in China, opposition cases at the EPO, and *inter partes* review cases in the US, we can see both an interesting similarity and some notable differences. Comparing the statistically likely outcomes of a first instance decision and an appeal, all three jurisdictions have about a 13% difference in the outcome between both levels. But at the EPO, the first instance considers inventive step to be satisfied about 74% of the time vs about 61% on appeal. Both China and the US are more challenging arenas for the patentee. In the US while the Patent Trial and Appeal Board (PTAB) concludes the invention is not obvious in 35% of cases, the Court of Appeals for the Federal Circuit (CAFC) concludes the same way in just 28% of cases. In China, the first instance tribunals consider inventive step to be satisfied 43% of the time and it is further upheld on appeal about 30% of the time. So, if you're defending, head to Europe if you can and if you're attacking an IP right, you might look elsewhere.

> **If you're defending, head to Europe if you can and if you're attacking an IP right, you might look elsewhere.**

Coming full circle for your IP strategy

There are many factors that go into developing the right transnational IP and litigation strategy. It's a balance of using the disparate procedures and protections available in different countries. There are differences in available remedies, applicable law, cost, and, most importantly, time to resolution. A sophisticated multinational strategy must be aware of differences such as the availability of utility model protection and consider how to take advantage of all of them.

Contact
www.clarivate.com

1 Chinese dual filings are now linked within DWPI families - Clarivate https://clarivate.com/blog/chinese-dual-filings-now-linked-within-dwpi-families/
2 Darts citation reference darts-810-055-E-zh
3 Darts citation reference darts-571-517-G-zh
4 https://www.derwentinnovation.com/ui/en/#/home/record-view?guid=CN204119349U_20150121

EAPO President confirms the benefits of the Eurasian Patent to Asian innovators

Dr. Alexey Vakhnin discusses the available protection and continued commitment to developing the Eurasian patent system with Dr. Grigory Ivliev, the President of the Eurasian Patent Organization, which has many advantages to the Asian IP community.

Many foreign companies consider the Eurasian countries to be an attractive market. At the same time, language difficulties and specific procedures prevent many rights holders from obtaining protection in these countries. We found out about available and straightforward ways to obtain protection in these countries from the interview with Grigory Ivliev, President of the Eurasian Patent Office and scientific secretary of the Federal Institute of Industrial Property.

> **The Eurasian procedure is very flexible.**

Mr. Ivliev, you are the President of the Eurasian Patent Office. The name itself indicates the continental scale of the Office. How would you evaluate the correlation between Europe and Asia in your Office?
Our Office is unique because we unite eight countries from both corners of the world: Armenia, Azerbaijan, Belarus, Kyrgyzstan, Kazakhstan, Russia, Tajikistan and Turkmenistan. In terms of geography, our Organization is likely to be more Asian. The Central Asian countries are members of our Organization, and most of the Russian Federation, the largest country in the world, is situated in Asia.

We also associate the EAPO's future expansion with the Asian region. We are negotiating with colleagues from Uzbekistan and Mongolia.

Central Asia is a region of great interest to a number of companies. What are the advantages of obtaining a Eurasian patent for IP protection in these countries?
The "Single Window" principle is, of course, the main advantage. It is possible to file a single application in Russian with the help of one patent attorney in order to cover the countries of an entire region.

Secondly, the Eurasian procedure is very flexible. A Eurasian patent is valid once granted in all Member States, but it is possible to maintain the patent only in those countries that are of business interest.

It is also important that many offices of our Member States cannot employ a large staff of examiners in highly specialized fields. We are developing examiner cooperation projects. For example, the EAPO and the Kyrgyzpatent signed an Agreement on cooperation in the field of information search and examination of patent applications in October 2023. Pursuant to this Agreement, the EAPO will conduct patent searches and prepare international search reports in the fields of technology defined by the parties. Such cooperation is a step towards the formation of a common Eurasian information and examination space.

The EAPO employs the best examiners from all Member States to ensure the high quality of the examination and international searches. The EAPO has been functioning as an International Searching Authority since June 1, 2022. This confirms the quality of our work. We are ready to cost-effectively and efficiently conduct international searches for all interested companies.

The EAPO is constantly working on the improvement of examination quality and the implementation of best practices.

How would you evaluate the role of Asia in the EAPO?
It is not a secret that the center of innovation and patent activity is shifting to the Asia-Pacific region. Over the last few years, the World Intellectual Property Organization has recorded that more than half of all international patent applications have been filed by inventors from Asian countries.

And that is not a final point. We recognize the great potential of Asia. Our Office participates in several projects aimed at promoting invention activities among young people. We traditionally grant EAPO award "Advancing the Future" to talented young inventors. For example, over the last couple of years, participants of the IYIA competition (Denpasar) from Indonesia and Thailand and finalists of the Korean International Olympiad KIYO 4i have received this award.

Dr. Alexey Vakhnin

Dr. Grigory Ivliev

> **It is not a secret that the center of innovation and patent activity is shifting to the Asia-Pacific region.**

Résumés

Dr. Alexey Vakhnin is a Eurasian Patent Attorney, Patent and Trademark Attorney of the Russian Federation.

Dr. Vakhnin is a Council member of the recently founded Assembly of Eurasian Patent Attorneys; vice-president of the Chamber of Patent Attorneys of the Russian Federation; member of INTA, FICPI, AIPPI, LES Russia/LESI, PTMG, ECTA, etc.

Alexey is Partner and Managing Director of Vakhnina and Partners.

Dr. Grigory Ivliev is EAPO President. He is a Former Head of the Federal Service for Intellectual Property (Rospatent). Eurasian Patent Office (EAPO) is an executive body of the Eurasian Patent Organization, administering the regional patent registration system, covering eight countries of the Eurasian region.

Member States: **Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Turkmenistan.**

Objects for IP rights protection: inventions and industrial designs.

Many people are probably aware of the Greater Eurasian Partnership initiative, which has been supported by a number of states on the Eurasian continent, including China and India, as well as the Shanghai Cooperation Organization, the Association of Southeast Asian Nations, and other organizations. China promotes "One Belt One Road" initiative of great importance. These projects are of great interest to us as they promote the enhancement of trade and economic ties on the continent as well as the creation of new cross-border economic zones, investment projects stimulation mechanisms.

All projects like them will require comprehensive protection of technologies on the territory of several countries on the

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continent. The Eurasian Patent Office is ready to act as a reliable partner for all companies to ensure regional protection of intellectual property rights. A regional patent reduces impediments to mutual trade and stimulates economic activity.

You are talking about a regional patent. What about regional protection of brands?
Yes, trademarks are in high demand. Now the EAPO grants regional patents for inventions and industrial designs. The design protection system was implemented on June 1, 2021. It has already attracted companies from 24 countries.

The Eurasian industrial design registration system has retained all the advantages of the Eurasian registration system for inventions. These include a unified procedure and the patent's unitary nature. The application requirements under the Eurasian system for patenting industrial designs are optimized. An application may include up to 100 industrial designs belonging to one class of the International Classification of Industrial Designs. Industrial designs included in a single application are not subject to the "unity of industrial design" requirement. It is convenient for applicants and is in demand to include different design items in one application.

We are working on the introduction of a Eurasian trademark. The system for the registration of a unified trademark without additional validations, with a "Single Window" for administration of the system, is relevant for business. Otherwise, an entrepreneur has to obtain legal protection for the same trademark separately in each state, which entails significant resource and time expenses.

> **We are working on the introduction of a Eurasian trademark.**

The Eurasian trademark will be in demand among both applicants from the Eurasian region and businesses from third countries entering the Eurasian market.

What do you think about the perspectives of working with patent attorneys from Asia?
We are interested in a fruitful working dialogue and expanding the number of applications from companies in Asia. This year, our Office has taken an active part in two large scale fora held in India: the 14th Global Conference on Intellectual Property (February 17-19, Goa) and the World Intellectual Property Forum (February 20-22, Bangalore).

Following these events, on December 6, we are hosting the IP Eurasia/IP India-2023 conference to discuss promising areas of cooperation and to provide Indian companies with information about IP protection in Eurasia.

We are going to organize similar events with other Asian countries.

The Assembly of Eurasian Patent Attorneys, which was established this year, will be a partner of the conference. We are confident that it will become an important source of information about the inquiries made by applicants from all countries, law enforcement practice, as well as a platform for the formation of a consolidated opinion of attorneys on the improvement of regulations and approaches to examinations.

I would like to take this opportunity to invite all readers of the magazine to take part in our events. We are open to cooperation with all stake-holders.

Contact

EAPO - Eurasian Patent Organization
M. Cherkassky per. 2, Moscow,
109012, Russia
Tel: +7 495 411 6150 — EAPO Hotline
hotline@eapo.org

Vakhnina and Partners, Patent and Trademark Attorneys
Preobrazhenskaya pl., 6, Moscow,
107061, Russia
Tel: +7 495 946 7075
ip@vakhnina.ru

The impracticality of priority right claiming in patent land rush: a case study of invalidation of a patent in China

Celinna Wang, Bing Han, and Qin Su of China PAT Intellectual Property Office detail the aspects of embodiment and scope of protection to analyze the status of patent invalidity.

In recent years, some major players in the telecom field have initiated a series of patent infringement lawsuits against numerous terminal manufacturers in China. In response, Chinese terminal manufacturers have launched patent invalidation proceedings against their multiple communication standard essential patents globally. This "patent war" has garnered significant attention from professionals in the telecommunications and legal industries.

In June 2022, a Chinese standard essential patent held by a telecommunications industry leader was declared invalid in its entirety by the China National Intellectual Property Administration's (CNIPA) for lack of inventive steps, primarily rooted in the non-establishment of priority claimed.

Specifically, the patentee submitted its first filing before the United States Patent and Trademark Office (USPTO), including an original embodiment, and seeking a broad scope of protection. In a subsequent PCT application, the patentee claimed priority of the US application and introduced a new embodiment, also claiming a broad scope of protection similar to that in the US priority application. However, while the new embodiment introduced in the PCT application fulfills the requirement of enablement, the original embodiment recorded in the US priority application was found unworkable upon later verification.

> **"What prompts this new embodiment to be introduced in the PCT application, but not recorded in the US priority document, you may wonder?"**

Having outlined the general scenario, we will now focus on a comprehensive analysis of this case. The objective of this invention is to indicate a newly introduced 64QAM modulation technique while utilizing the current coding method and a single High-Speed Shared Control Channel (HS-SCCH) structure. In simpler terms, the goal is to enable 64QAM without altering the original encoding method, while ensuring precise acquisition of High-Speed Physical Downlink Shared Channel (HS-PDSCH) code channel information for accurate data reception and decoding. In independent claim 1 of this Chinese patent, a generic technical approach is defined as follows:

> "... interpreting the 7 channelization code-set information bits in HS-SCCH part 1 structure such that only 6 bits of the channelization code-set information bits are interpreted as code-set information and one bit of the channelization code-set information bits is interpreted as selection between 16 QAM and 64 QAM."

The US priority document recorded independent claim 1 and the only embodiment corresponding to this generic technical approach defined in claim 1, namely embodiment 2 in the description. In this embodiment, the existing value range of the code-set information is approximately halved, aiming to represent the code-set information that originally required seven bits using only six bits. However, the US priority document manifests critical deficiencies in embodiment two. Notably, the formula used in embodiment two to calculate the specific value of the six bits not only contains errors but also fails to unambiguously determine the HS-PDSCH code channel information from the calculation result. Consequently, this renders it incapable of achieving its intended technical effect.

In the subsequent PCT international application, a new embodiment has been introduced, designated embodiment 1. This embodiment offers a particular technical solution, which falls under the generic subject matter defined in claim 1. It involves using additional information to recover the stolen one bit, without compromising the value range of the code-set information. This approach ensures the accurate acquisition of HS-PDSCH code channel information, allowing for correct data reception and decoding. It is, therefore, evident that embodiment 1 in this PCT international application is the true avenue through which this patent can genuinely fulfill the objectives mentioned above of the invention.

What prompts this new embodiment to be introduced in the PCT application, but not recorded in the US priority document, you may wonder? The rationale behind these amendments to the application becomes evident upon closer examination. In telecommunications, it was discovered that the technical specification 3GPP TS 25.212 V7.4.0 comprehensively documented embodiment 1. Notably, the release date of this specification falls conveniently between the priority date of the patent and the filing date of the PCT application. This sequence of events sheds light on the patentee's strategic intent. It became apparent that, on the earlier priority date, the patentee sought to establish an ambitiously

Celinna Wang

Bing Han

Qin Su

Résumés

Celinna Wang

Celinna is the head of the litigation team at China PAT Intellectual Property Office, boasting 20 years of experience in the intellectual property domain. She has handled numerous patent infringement and invalidation cases, demonstrating proficiency in devising comprehensive strategies for right validation and enforcement. Celinna has extensive experience in court confrontation, particularly in safeguarding the scope of Standard Essential Patents (SEPs) in the communication field. Additionally, she possesses substantial expertise in handling invalidation and infringement litigations related to industrial design patents.

Bing Han

With 16 years of experience in the intellectual property field, Bing holds extensive expertise in handling infringement litigations and patent invalidation cases in the technical areas of communication, electronics, and semiconductors. He has previously led technological assessments and critical evidence collection in the communication sector. As a former semiconductor examiner at the China National Intellectual Property Administration, he brings in-depth experience in patent searches.

Qin Su

Qin has amassed 16 years of experience in the intellectual property field, specializing in patent invalidation cases concerning Standard Essential Patents (SEPs) within the communication domain. Leveraging her background as a former examiner at the China National Intellectual Property Administration in the field of communication networks, she brings comprehensive expertise in patent searches.

broader protection scope that however, in practice, was unfeasible. Subsequently, the patentee incorporated technically viable solutions from industry standards within this broader protection scope in later applications. This strategy may be suspectedly considered a "patent land rush".

A concern was raised by the intellectual property authority and some professionals that, should such patent application strategies be deemed acceptable, it would fundamentally undermine the original purpose of the Paris Convention in establishing the patent priority system. This approach would be perceived as unfair to the dedicated inventors and researchers who make significant contributions to technological progress and the interests of the public.

China's patent law only stipulates that the later and earlier applications serving as the basis for priority must be of "the same subject matter". However, when it comes to situations where the earlier application contains all the contents of an independent claim present in the later application but is not implementable, there is no clear guidance on whether priority should be recognized. Therefore, addressing these vagueness's in patent applications within the framework of China's existing laws became a primary focus.

In the Decision of Invalidation No. 56283, the CNIPA concluded that:

> **"This indicates that the EPO and the CNIPA share a consistent view regarding the validity of priority right claiming for this patent and its counterparts."**

> "In the absence of a specific implementable embodiment in Evidence 5 (i.e., the US priority document) capable of enabling the technical solution of independent claim 1 of the patent, the subject matter of claim 1 in the present patent is overly generic or unclear in Evidence 5. As a result, those skilled in the art are unable to implement this technical solution based solely on the disclosure in the US priority document. The technical solution of claim 1 thus lacks a clear and unambiguous documentation in the earlier application [...] The applicant could only enable this specific solution by incorporating a detailed description of a particular technical feature in the later-filed PCT application. Therefore, the technical solution of claim 1 of this Chinese patent cannot enjoy benefit of priority from the earlier-filed US application."

As can be seen from the above, while the CNIPA does not explicitly require that the priority document must be sufficiently disclosed, it does prescribe that the technical solution claimed as a priority in the document should not be vague and ambiguous but rather substantially "clear".

In other words, even if a generic technical solution has been recorded in the priority document in verbatim, but the embodiments provided therein demonstrat its implementation cannot be put into practice, then such a generic technical solution cannot take advantage of the priority right.

It has come to our attention that in the subsequent proceedings of opposition for the European counterpart, the minutes of the oral hearing in July 2023 held by the Boards of Appeal of the European Patent Office (EPO) stated: "... the Chair gave the Board's conclusion that the priority was not valid because the disclosure in the priority document was not an enabling disclosure." This indicates that the EPO and the CNIPA share a consistent view regarding the validity of priority right claiming for this patent and its counterparts.

We also have observed that in Japan, the United States, and Europe, there are relevant provisions addressing such situations.

In Japan, *the Examination Guidelines for Patent and Utility Model, Section 3.1.3, Chapter 1, Part V, and the Examination Handbook for Patent and Utility Model,* Section 5107 of Chapter 1, Part V provide a summary of circumstances in which the effect of priority claim may not be recognized. The latter handbook provides that:

> "If the statement of an embodiment is added to the application documents filed in the first country, and the application is filed in Japan, which makes the claimed invention filed in Japan enabled, it will mean that new matter is added in relation to the matters stated in the application documents as a whole filed in the first country. With regard to the claimed invention filed in Japan, therefore, the claim of priority under the Paris Convention does not take effect.[1]"

In the United States, Section 211.05 Sufficiency of Disclosure in Prior-Filed Application [R-08.2017] of the Manual of Patent Examining Procedure also stipulates:

> "To be entitled to the benefit of the filing date of an earlier-filed application, the later-filed application must be an application for a patent for an invention which is also disclosed in the prior application ...; the disclosure of the invention in the prior application and in the later-filed application must be sufficient to comply with the requirements of 35 U.S.C. 112(a) except for the best mode requirement.[2]"

Although Europe does not explicitly define this matter in its regulations, parallel cases can be found. In Decision Case No. T 0843/03, it was emphasized that:

> "Further, the priority document has to provide an enabling disclosure ... This is well within the concept of 'the same invention' of Article 87(1) EPC as an incomplete technical disclosure cannot be seen as being 'the same' as a complete one.[3]"

In Decision Case No. T 409/90, it was noted that:

> "The fact that a claim in a priority document is broad enough to cover (or "comprehends the possible provision of") specific subject-matter which is filed for the first time in a later application, cannot by itself be sufficient evidence that such a subsequently filed subject-matter has already been disclosed in the priority document, or that subsequent claims based on that later filed subject-matter still define the same invention as that which is the subject of the priority document.[4]"

From the above, it becomes clear that various countries and regions share a consistent understanding of the priority right claim system. Its fundamental purpose is to provide convenience for applicants to seek patent protection across different jurisdictions. While applicants can use the priority rights system elements to refine their inventions, this refinement calls for a more cautious approach, as it may be precarious especially since there could be a possibility of being considered technically a "patent land rush". It would thus be highly advisable for applicants to ensure the technical feasibility of their inventions in their first filings to legitimately and reasonably secure patent rights in the original and subsequent jurisdictions.

[1] The Examination Handbook for Patent and Utility Model in Japan. Page 7. https://www.jpo.go.jp/e/system/laws/rule/guideline/patent/handbook_shinsa/document/index/05_e.pdf

[2] The Manual of Patent Examining Procedure in the US. https://www.uspto.gov/web/offices/pac/mpep/s211.html#ch200_d1ff71_250c8_de

[3] Decision Case No. T 0843/03 by Boards of Appeal of the European Patent Office. Page 8. https://legacy.epo.org/boards-of-appeal/decisions/pdf/t030843eu1.pdf

[4] Decision Case No. T 409/90 by Boards of Appeal of the European Patent Office. Page 11. https://legacy.epo.org/boards-of-appeal/decisions/pdf/t900409ex1.pdf

Contact
China PAT Intellectual Property Office
Unit 503, 5/F, Daheng Scitech Building,
South Tower, No. 3 Suzhou Street,
Haidian District, Beijing 100080 P.R.China
Tel: +86 10 5979 7750
intl@china-pat.com
en.china-pat.com

Particularities of Russian utility model applications

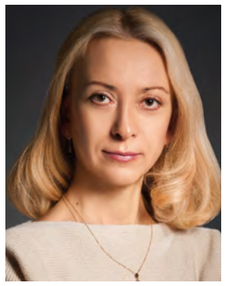
Elena L. Davydova, Deputy General Director and Chief of Ineureka's IP Protection Department, explains the advantages and disadvantages of filing for patent utility model protection for both Russian and foreign applicants with clarifications of what is and is not permissible.

For the last few years, there has been growing interest in patenting utility models in Russia among our foreign clients. It is not surprising since the process of obtaining a utility model patent and a patent for a utility model itself have a variety of advantages. Nevertheless, there are a lot of pitfalls that should be taken into account by the applicants who are thinking about filing applications for utility models with the Rospatent. In this article, I will assess the advantages and disadvantages of Russian utility models and the particularities of their preparation and examination to make the decision process of whether to apply for a utility model or to prefer an invention application easier for foreign applicants.

Needless to mention the official fees for filing and substantive examination of utility models are much cheaper than the official fees for inventions, and examination of utility models is faster and simpler than the examination of applications for inventions (these matters will be regarded further) but there are some important points that should be taken into account by applicants prior to filing utility model applications with the Rospatent.

First of all, a potential applicant should be aware that in Russia only a single device/apparatus/machine can be protected as a utility model, neither a method nor a system nor a substance is accepted to be an object matter of a Russian utility model.

In order to make it clearer for potential applicants what can specifically be protected as a utility model in Russia, it is helpful to review some quotations from the Russian regulatory documents. According to item 35 of the Rospatent's 'Requirements to Documents for a Utility Model Application' (hereinafter the Requirements) *"[…] devices are considered to be products that do not have component parts (details) or consist of two or more parts which are interconnected by assembly operations and being in functional and structural unity (assembly units)".* Whether the functional and structural unity is confirmed or not is determined during examination and based on the content of the description of a utility model. Within that, mention of such elements as a body, and providing the information that the rest of the elements are fixed inside the body or at least inserted into it, contribute to the recognition of the disclosed technical solution to be a single device. On the other hand, providing information that some elements communicate with other elements via WiFi, cloud, remote communication channels, or the like causes the claimed solution not to be considered as a single device. Consequently, again in accordance with the Requirements (item 36 (1)) *"…the following features are used to characterize devices:*



Elena L. Davydova

Résumé

Elena L. Davydova, Deputy General Director, Chief of Ineureka LLC IP Protection Department, Russian and Eurasian Patent Attorney.
Elena graduated from Moscow Auto-Construction Institute (Honors Diploma) and has a Master's Degree in Data Science. With more than 20 years of experience in the field of IP protection, Elena specializes in inventions and utility models, industrial designs, trademarks, and service marks.
She is a member of the Russian Chamber of Patent Attorneys, AIPPI, INTA, ECTA, AIPLA, and IPO.

- *Presence of one detail, its shape, structural concept;*
- *Presence of several parts (details, components, assemblies, blocks) connected to each other by assembly operations, including screwing, joining, riveting, welding, soldering, pressure testing, expansion, gluing, and stitching that ensure construction unity and implementation of a general functional purpose of the device (functional unity);*
- *Constructive implementation of the device parts (details, components, assemblies, blocks), characterized by the presence and functional purpose of the device parts, their mutual arrangement;*
- *Parameters and other characteristics of device parts (details, components, assemblies, blocks) and their interconnections;*
- *Material from which parts of the device and/or the device as a whole are made;*
- *Physics medium that performs the function of a part of the device […]".*

Thus, there can be only one object matter claimed in the scope of a utility model application. In other words, the Claims of a utility model must contain the only independent claim (the number of dependent claims is not limited), which is not allowed to include alternatives. This is because, according to item 41 of Rospatent's 'Rules for Drafting, Filing, and Examination of Utility Models Documents', if the independent claim of a utility model contains alternative features, it means there is more than one technical solution in the

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independent claim of a utility model. It should be kept in mind here that the set of features of the independent claim should ensure the novelty of the technical solution and the achievement of the claimed technical result. It might be that, despite the presence of alternative features in the scope of the independent claim, they do not contribute to the novelty of the utility model and/or do not affect the claimed technical result. In such a case, these features can be brought in dependent claims including alternative ones. When alternative features provide novelty, only one feature from a set of alternative features can be left in the application, the rest of the alternative features can be protected by divisional applications.

Obvious alternatives are also undesirable to be included in dependent claims but, in case of receiving an Office Action, such a dependent claim can be divided into several dependent claims, because the presence of several dependent claims that are alternative to each other is not prohibited in the Claims of a utility model. Another subtlety is that, at the moment of filing applications, each additional claim over the 10th claim in the Claims of a utility model results in an additional official fee, while an increase in the number of claims of the Claims when responding to the Office Action does not require payment of additional fees. Thus, the problem of alternatives in dependent claims is solved quite easily.

One more important point, which should be taken into account by a potential applicant that is going to file a utility model in Russia, is that according to the Requirements, (item 35 (4)) *"[...] while disclosing the essence of a utility model, one technical result provided by the utility model or technical results associated by a cause-effect relationship should be indicated"*. Therefore, if the relevant section of the description of a utility model (which normally follows the wording of the essence of the utility model) contains an indication of several technical results that are not associated with a cause-effect relationship, the examiner will issue an Office Action demanding to specify the technical result(s) and to amend the corresponding section of the description by removing the technical results not associated with a cause-effect relationship.

At the same time, it is obvious that a situation might arise when an examiner reveals a known technical solution that disproves the novelty of the utility model claimed in the independent claim of the Claims and even disproves the novelty of some dependent claims. It might be that the technical result claimed in the pending application is also achieved by a technical solution disclosed in the opposed document, then the examiner's arguments can be overcome by including, in the independent claim, those features of dependent claims or those features mentioned only in the description that are not known from the document opposed by the examiner, but the matter of the technical result will arise again. Indication of a new technical result that was not mentioned in the description is prohibited. However, if the section of description disclosing examples of implementation of the utility model contains mentions of the positive impact of sets of features contained in dependent claims, then these mentions can be used to indicate the amended technical result.

> **Whether the functional and structural unity is confirmed or not is determined during examination and based on the content of the description of a utility model.**

Having regarded the above pitfalls of drafting and examination of utility model applications it is time to move to comparing them with invention applications and indicating their advantages and disadvantages.

Firstly, it should be noted that the substantive examination of utility model applications is carried out only with respect to such criteria of patentability as industrial applicability and novelty, while the substantive examination of invention applications is carried out with respect to industrial applicability, novelty, and inventive step. As a result, the time frame of the substantive examination of utility models is much shorter and the examination itself is simpler. For the last couple of years, our clients have received Decisions on grant in just two-three months after filing their applications in smooth cases.

Secondly, the official fees for filing and examination of utility model applications are substantively less than the same for invention applications. In order to make them easily seen in detail, I have prepared Table 1 where all the relevant official fees have been put together (please note that the fees are given considering the discount of 30% for electronic interaction with the Rospatent).

	Official fees (RUB)	
	For filing an application	**For substantive examination**
Utility Models	980 + 490 for each claim over the 10th	1750
Inventions	2310 + 490 for each claim over the 10th	8750 + 6440 for each independent claim over the 1st

Table 1

The official fees for registration and granting a patent are the same for both utility models and inventions, but annuities for utility models should be paid beginning from the first year counted from the application filing date and are normally paid along with the grant fees when annuities for inventions should be paid beginning from the third year, and their payments can be postponed till the end of the second year in the majority of cases. This is a disadvantage of utility models but since the amount of the annuity for the first year as well as for the second year is not big (800 RUB which is equal to 8 EUR according to the current exchange rate), I believe that it is not a serious problem for applicants. Beginning from the third year the annuities for utility models are the same as for inventions.

In addition, it is worth mentioning that utility model applications can be filed in Russia with claiming priority under the Patent Cooperation Treaty (PCT) as well as under the Paris Convention. When a utility model is filed under the Paris Convention, the Rospatent demands a certified copy of the priority document to be provided in paper form, but a paper copy of the priority document can be filed later after filing an application at no charge.

In view of the above, if an applicant has an application containing just one independent claim (no matter how many dependent claims) where the object matter is a device, apparatus, or machine, it may be better to file such an application as a utility model, not as an invention, despite the validity period of utility model patents is shorter (only 10 years) if compare with the validity period of invention patents that is 20 years.

The short validity period of utility model patents, of course, is another disadvantage. Nevertheless, utility model patents can be effective instruments used in litigation cases for the protection of your clients' intellectual properties in Russia. One of our clients has recently received compensation in the amount of more than one million rubles paid by an infringer of our client's utility model patent.

Even in the case where a patent holder finds evidence of patent infringement after the utility model patent expires but the patent infringement has been made during the time of the patent validity, the patent holder still has the right to initiate a court trial against an alleged infringer and to claim compensation.

In conclusion, and in order to sum up all the above, I would like to note that it is obvious that, despite having a lot of particularities, patenting utility models in Russia looks quite attractive and has certain advantages for Russian as well as for foreign applicants.

> **When alternative features provide novelty, only one feature from a set of alternative features can be left in the application, the rest of the alternative features can be protected by divisional applications.**

Contact

Ineureka LLC
125009 Moscow, Strastnoy Boulevard, 4, building 1, office 100, Russia.
Tel: +7 495 369-10-36
org@ineureka.ru
www.ineureka.org

BPTO discloses results for 2022 and the Strategic Plan for 2023-2026

Rodrigo Klein and Rodrigo Moraes Costa of Montaury Pimenta Machado & Vieira de Mello review the BPTO's Management Report and the new Strategic Plan to provide insight into the plans to practically support the protection of IP in Brazil.

With the 2018-2022 cycle coming to an end, the Brazilian Patents and Trademarks Office (BPTO) published two reports: the BPTO Management Report, which discloses the results for the said period, especially for the year 2022, and its new Strategic Plan for the period of 2023-2026, which is based on guaranteeing and improving the quality of the BPTO.

At the beginning of its Management Report, the BPTO presents us with an overview of the origin of patent assignees in Brazil: the USA leads, representing 28.6% of assignees, followed by national assignees, which represent a slice of 24.8% of all assignees. China closes the podium, with 6.0% of assignees. Among these national assignees, it should be noted that Individuals represent 43.4%, while Legal Entities represent 22.5% of assignees living in Brazil. Teaching and Research Institutions and the Government account for 16.8%. This data can be better visualized in Figures 1 & 2.

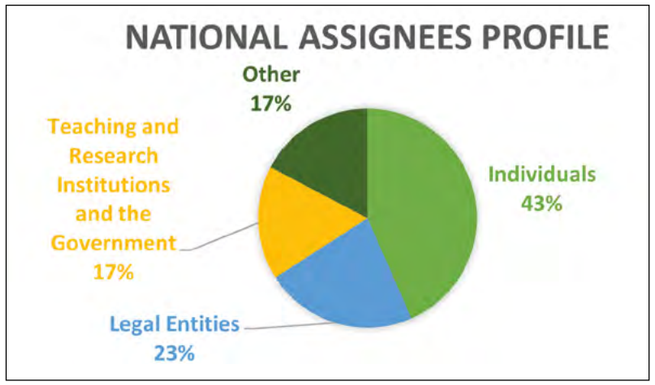


Figure 2 - Profile of National Assignees

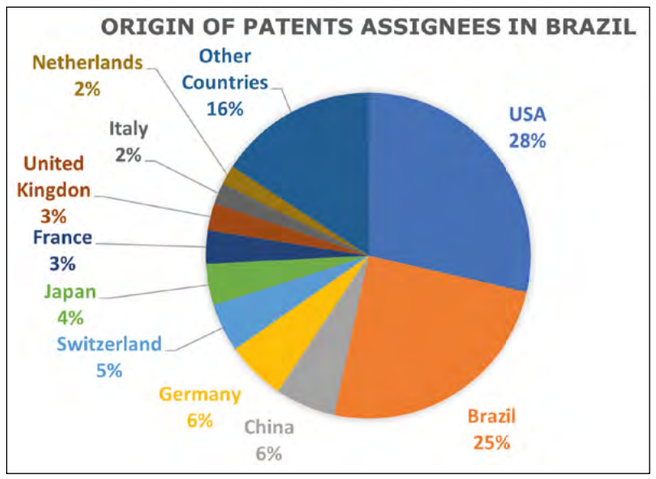


Figure 1 - Origin of Patent Assignees in Brazil

For 2022, the BPTO had established growth goals for filings, compared to filings made in the previous year. For Patent Applications, the expected goal was to obtain 11% growth compared to 2021. For Industrial Designs, the BPTO has set a target of 10% in filing growth.

Regarding the growth goal for Industrial Design filings, the BPTO disclosed in its report that the growth compared to 2021 was only 7%, therefore below the established objective.

Regarding the growth goal for Patent Application filings, the BPTO did not clearly disclose what was the growth compared to 2021. However, the data disclosed shows that 27,139 patent applications were filed in 2022. When compared to the 26,921 applications filed in 2021, there is a certain stability in the number of patent applications filed, with a growth of less than 1%, very far, therefore, from the established goal. Figure 3 summarizes this data.

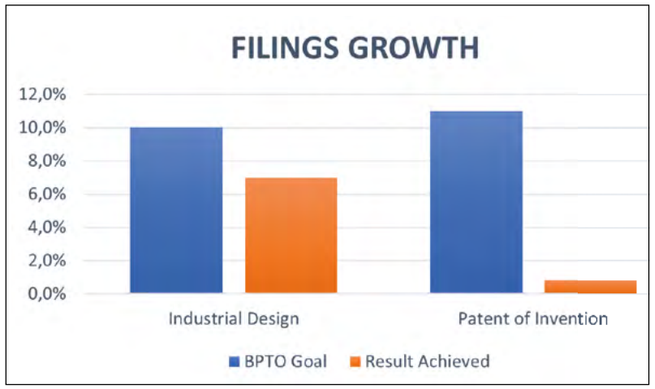


Figure 3 - Filings Growth

In addition to these growth objectives, the BPTO has also set goals to improve efficiency in examining IP applications. Such goals include reducing the time to obtain a decision for both patent applications and industrial designs and improving the time to obtain a decision for requests for priority examination of patents (including applications participating in the Patent Prosecution Highway - PPH program: the result of partnerships between the BPTO and several patent offices around the world).

In this sense, the BPTO aimed to obtain decisions on industrial design applications within a period of four months, while decisions on patent applications should occur within a period of 3.8 years. Furthermore, requests for priority examination were to be decided within 11 months.

Among the results disclosed by the BPTO, the reduction in decision time for technical examination of both patent and industrial design applications stands out: a reduction of 22% and 8%, respectively. As a result, a patent application currently takes an average of 6.9 years for its final decision, while an industrial design application takes an average of 3.7 months.

The BPTO also announced a 9% reduction in decision time for priority patent examination requests. Thus, an application for priority patent examination takes an average of 8.2 months to be granted. These results are summarized in Figure 4.

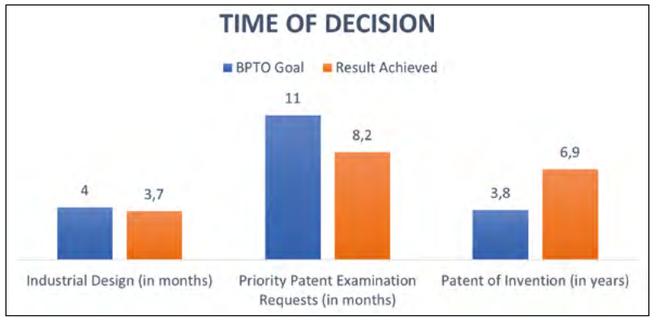


Figure 4 - Time of Decision

Among the types of priority procedures for patents, the PPH program stands out. In 2022, the BPTO increased the number of vacancies for requests participating in the program by 50%, with an average decision time was 7.2 months counted from the granting of prioritization.

In addition to the results presented above, the BPTO also continued the plan to combat the patent backlog. In 2019, the combat plan was made official, after being tested as a pilot project. According to the BPTO, since 2019, there has been a 92% reduction in the patent backlog, which has contributed to reducing the decision time for pending patent applications at the BPTO.

New goals for the 2023-2026 term

Following the release of the 2022 results, the BPTO disclosed the new Strategic Plan for the 2023-2026 term. This Strategic Plan is based on nine points, named strategic goals, which direct the decision-making to reach the established goals. Said nine points are as follows:

1. *Optimizing quality and celerity in the grant and registration of industrial property rights, reaching internationally referenced performance standards;*
2. *Promoting the culture and the strategic use of industrial property for Brazil's competitiveness, innovation and development;*
3. *Consolidating Brazil's insertion as a protagonist in the international industrial property system;*
4. *Elevating the BPTO's knowledge and value recognition to society;*
5. *Deepening digital transformation focusing on the improvement of performance and user services;*
6. *Guaranteeing the sustainable financing to modernize and expand the capacity of service provision;*
7. *Guaranteeing the recomposition and retention of the workforce scaled to supply an increasing demand and sustaining the high performance in the service provision;*
8. *Providing economic, efficient, and sustainable logistical and infrastructure support;*
9. *Improving governance, management, and institutional relationship practices.*

When it comes to patents and industrial designs, the Strategic Plan aims to reduce the elapsed time until a decision during technical examination. As concerns patent applications, a reduction

from 6.9 years to two years, counted from the filing date to a final decision of an application, is desired. With respect to industrial design registration applications, a more moderate reduction from 3.7 to 3.5 months is intended.

In addition to time goals, the Strategic Plan also proposes, within the above-mentioned nine strategic goals, a so-called project portfolio that was formulated as actions to reach said goals.

With further respect to patents and industrial designs, actions to automate their processing flows are proposed by replacing the tools currently used with new tools, as well as by simplifying the workflows.

The optimization of patent searches is also proposed by outsourcing them to other societal elements, such as universities. The use of artificial intelligence-based tools is likewise pointed out as a resource to assist patent searches.

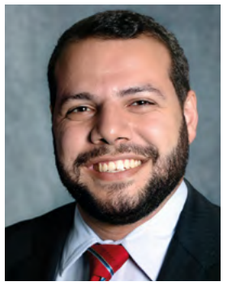
Furthermore, actions to optimize the patent database are presented by scanning the document files and correcting potential errors and inconsistencies, besides updating information in accordance with the Worldwide Intellectual Property Organization (WIPO) standards. In connection with this, a new resource for searching information is proposed.

In line with quality improvement, the Strategic Plan establishes the development of an automated system to review the quality and conformity of the examination of patent and industrial design registration applications, as well as a research project, directed at external users, related to the perception of the examination quality. The improvement of second instance procedures is also included in the Strategic Plan in order to enhance the quality of appeals and administrative nullity procedures, thus further ensuring their predictability and legal certainty.

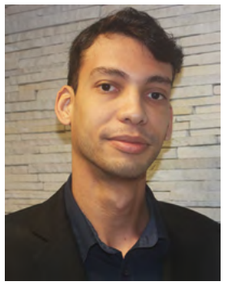
In order to strengthen Brazil's international presence in the intellectual property system, the Strategic Plan aims to standardize and enlarge existing fast-tracking procedures in patent prosecution, such as the PPH program. Particularly in Asia, the BPTO currently has PPH agreements with China, Japan, Singapore, and South Korea. With respect to industrial designs, the Strategic Plan lays out the operational aspects of the Hague Agreement, which comprises several contracting parties throughout Asia and came into force in Brazil in August 2023.

All of the above goals and projects are deeply related to the provision of new job positions within the BPTO. In this regard, the Strategic Plan proposes holding an exam to select new employees for the public service, aiming to fill 120 positions.

The 2023-2026 Strategic Plan is an indication that the BPTO is attempting to keep on acting to improve and consolidate the national industrial property system taking into account its reality, focusing on the publication and transparency of its actions, and enhancing the experience for both its users and itself.



Rodrigo Klein



Rodrigo Moraes Costa

> **The 2023-2026 Strategic Plan is an indication that the BPTO is attempting to keep on acting to improve and consolidate the national industrial property system.**

Résumés

Rodrigo de Almeida Klein, Parter, Engineer, Patent Counsel

Rodrigo is a Chemical Engineer who graduated from the Federal University of Rio de Janeiro (UFRJ) with experience in the field of Intellectual Property focused on Patents. Rodrigo advises his clients on a wide range of technical issues regarding patent prosecution, as well as performing prior art searches and drafting patents and freedom to operate reports, particularly in the chemical field.

Areas of Expertise: Patents, Life Sciences Patents, Biotech Patents, Utility Models, Industrial Designs, Freedom to Operate (FTO).

Author email:
rodrigo.klein@montaury.com.br

Rodrigo Moraes Costa, Partner, Engineer, Patent Counsel

Rodrigo is a mechanical engineer who graduated from the Centro Federal de Educação Tecnológica Celso Sucow da Fonseca (CEFET/RJ). He is also a technician in mechanics who graduated from CEFET/RJ. He has a postgraduate degree in Intellectual Property Law at Pontifical Catholic University of Rio de Janeiro.

Rodrigo assists clients in the administrative prosecution of patents and industrial designs, in addition to prior art searches, freedom-to-operate opinions, and drafting patent applications.

Areas of Expertise: Patents, Utility Models, Industrial Designs, Freedom to Operate (FTO).

Author email:
rodrigo.costa@montaury.com.br

Contact

Montaury Pimenta Machado & Vieira de Mello
Av. Alm. Barroso, 139 - Sala 703 - Centro, Rio de Janeiro - RJ, 20031-005, Brazil
Tel: +55 11 2246-2722
www.montaury.com.br