

## **China Design Practice Guide 2015**

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### **Legal framework**

Article 2(4) of the Patent Law defines a ‘design’ as the shape or pattern or a combination thereof, or the combination of colour with a shape or pattern, of a product, which has an aesthetic appeal and is fit for industrial application.

Article 23 of the Patent Law states that any design for which patent rights may be granted must not be a prior design, nor has any entity or individual filed, before the filing date, with the State Intellectual Property Office (SIPO) an application relating to the identical design disclosed in patent documents announced after the filing date.

Any design for which patent rights may be granted must significantly differ from prior designs or a combination of prior design features.

Any design for which patent rights may be granted must not conflict with any other party’s legitimate rights obtained before the filing date.

‘Prior design’ refers to any design known to the public in China or abroad before the filing date.

The Patent Law entered into force on April 1 1985. Since then, designs have been protected as a type of patent. Under the Patent Law, a design must be integrated in a product. Handicrafts, agricultural products, livestock products or natural products which cannot be mass produced do not meet this criterion. The colour of a product alone cannot constitute a design, unless the change of colour of a product constitutes a pattern.

### **Unregistered designs**

Unregistered designs cannot obtain protection in China.

## Registered designs

### *Protectable subject matter*

According to Article 5(1) of the Patent Law, any invention that is contrary to law or social morals or which is detrimental to the public interest, cannot be granted patent rights. For instance, a design containing a pattern incorporating the Chinese currency (the Renminbi), drawings or photographs of violence, murder or pornography, or famous buildings (eg, the Tian'anmen Gate or the White House) shall not be granted patent rights.

According to Article 25(6) of the Patent Law, designs of two-dimensional printed goods, constituting a pattern, colour or a combination thereof, which serve mainly as indicators, shall not be granted patent rights. The exceptions are wallpaper and textiles, which are patentable subject matter.

According to Article 2(4) of the Patent Law, the following are ineligible for design patent protection:

- any fixed building, bridge or similar structure which depends on specific geographic conditions and cannot be rebuilt elsewhere (eg, a villa built near a specific lake or hill);
- any product which has no fixed shape, pattern or colour because it contains a substance that has no fixed shape (eg, a gas or liquid);
- any component part of a product which cannot be partitioned or sold and used independently (eg, the heel of a sock, the peak of a hat, a cup handle);
- in the case of any product consisting of several component parts which have a different shape or pattern, each component part, if it cannot be sold and used independently, is not patentable. For example, a jigsaw consisting of plug-in pieces of varying shapes is patentable subject matter only when one application relating to all of the pieces is filed;
- any product which cannot be perceived visually or be determined with the naked eye, and whose shape, pattern or colour must be distinguished by means of specific instruments (eg, a product whose pattern is visible only under an ultraviolet lamp);
- any design which is not the design of the natural state of the product (eg, an animal made out of a handkerchief);
- any design which primarily consists of the original shape, pattern or colour of a natural object. Such designs normally include two elements: the natural object itself and the imitational design of said natural object;
- any work which belongs wholly to the field of fine arts, penmanship or photography;
- any design which constitutes only common geometric shapes or patterns in the field of the relevant product;
- the pronunciations or meanings of words and numerals; and
- game interface, and patterns displayed by the displaying device of a product, which are not relevant to human computer interaction or to the realisation of the function of this product (eg, wallpaper on an electronic screen, pictures shown during the start or shutdown of the device or layout of drawings and texts on websites).

## **Fees**

The official filing fee for a design application is Rmb500 (\$81); if priority is claimed, the official fee for claiming each priority is Rmb80 (\$13).

After receiving the allowance notice from the Patent Administration Department, the applicant must pay a patent certificate fee (including a printing fee and stamp tax) of Rmb205 (\$33) and the annuity for the year in which the design application is granted– usually Rmb600 (\$97).

The first to third-year annuity for a design patent is Rmb600 (\$97) per annum; the fourth to fifth-year annuity is Rmb900 (\$145); the sixth to eighth-year annuity is Rmb1,200 (\$194); and the ninth to 10th-year annuity is Rmb2,000 (\$323).

## **Procedures**

### ***Application process***

A design application must be filed with SIPO either in hardcopy or electronically. If a foreign priority is claimed, the design application must be filed in China within six months of the priority date (or the earliest priority date, if multiple priorities are claimed).

At the time of filing, the applicant must submit the following information:

- its name and address;
- the name and nationality of the designer(s);
- priority (if any);
- drawings or photographs of the design; and
- a brief explanation of the design.

An executed power of attorney can be submitted on the filing date or later. A certified copy of the priority document (if priority is claimed) and the assignment document (if the applicant in China is different from that of the priority application) must be submitted on filing or within three months of filing.

In a design application for a product with graphic user interface (GUI), views of the complete product, instead of the GUI alone, should be submitted. Where the GUI is dynamic, views of the complete product with at least one state of the GUI must be submitted; as to other states of the GUI, views of the key frames are needed. The views should be able exclusively to determine the trend of change of the animation in the dynamic patterns.

The brief explanation of the design must indicate the title and use of the product incorporating the design and the design's essential features, and designate a drawing or photograph which best shows the essential features of the design. The explanation must not contain any commercial advertising and must not be used to indicate the function of the product.

When necessary, a brief explanation in a design application for a product with GUI should include the use of the GUI, the location of the GUI on the product, ways of human computer interaction and different states of the GUI.

Where a design application seeks concurrent protection of colours, drawings or colour photographs must be submitted.

Within two months of the filing date, the applicant may amend the drawings or photographs voluntarily without going beyond the original disclosure.

There is no statutory procedure for deferring publication of a design application in China.

In the examination of design applications, the general rule –that a design application shall be limited to one design incorporated into one product –applies, except in the following circumstances:

- A maximum of 10 similar designs of the same product can be included in one design application. In such case, one of these designs should be indicated as the main design in the brief explanation.
- Multiple designs may be maintained in one design application to the extent that they are incorporated into products belonging to the same class and are sold or used in sets. In this context, the expression ‘the same class’ means that the products incorporating the designs belong to the same sub-class in the Locarno classification system. The expression ‘sold or used in sets’ means that the products incorporating the designs have the same design concept and are customarily sold together or used at the same time. For instance, coffee cups and coffeepots are classified in the same Locarno sub-class and are customarily deemed as being sold together and used at the same time. Thus, the design of a coffee cup and that of a coffeepot with the same overall design concept can be maintained in one design application.

### ***Examination and appeals procedure***

There is no substantive examination procedure for a design application. During preliminary examination, if no grounds for rejection are found, SIPO will grant the design patent right. If the originally filed documents of a design application meet all requirements at preliminary examination, the design application will be allowed, usually within three to five months of the filing date.

If the application is rejected by SIPO, the applicant may, within three months of receipt of the rejection decision, request the Patent Re-examination Board to re-examine the application. At the time of requesting re-examination, the applicant is entitled to amend the drawings or photographs without going beyond the original disclosure.

### **Registration**

The applicant shall, within two months of receiving the allowance notice from SIPO, pay the patent certificate fees (including a printing fee and stamp tax) and the annuity for the year in which the design application is allowed. The patentee usually receives the patent certificate within two to three months.

### **Removal from register**

According to Article 45 of the Patent Law, commencing from the date that the grant of the patent right is announced by SIPO, any entity or individual which considers that grant of the patent right does not conform with the relevant provisions of the law may request the Patent Re-examination Board to declare the patent right invalid. Any patent right which has been declared invalid shall be deemed non-existent from the outset.

If the patentee or party which requested invalidation is not satisfied with the Patent Re-examination Board's decision, such party may institute legal proceedings in the people's court within three months of receipt of the decision notification.

### **Enforcement**

After the grant of a design patent, no entity or individual may, without the patentee's authorisation, exploit the patent (ie, manufacture, offer to sell, sell or import the product incorporating the patented design) for production or business purposes.

The period for instituting legal proceedings concerning the infringement of patent rights is two years from the date on which the patentee or any interested party obtains or should have obtained knowledge of the infringing act.

A patentee which decides to take action against an infringer has two options:

- The legal route – the patentee can complain to a competent court, with two instances, requesting the court to issue an injunction to stop the infringing act and award damages; or
- The administrative route – the patentee can complain to a local IP office, requesting the office to order the infringer to stop the infringing act or calculate the damages in mediation. However, the office may not enforce its own order; the patentee must rather request a court to enforce the order. If either party is dissatisfied with the order, it may sue the office in a legal court under the Administrative Proceedings Law; if either party is dissatisfied with the damages calculated by the office or if mediation fails, it may institute legal proceedings in a competent court under the Civil Proceedings Law, with the opposing party as the defendant.

For infringement proceedings, the first instance usually lasts between approximately nine and 12 months; the second instance usually lasts between six and nine months.

In an infringement case that is already in progress, more often than not, the alleged infringer will file a request for invalidation before the Patent Re-examination Board. At its own discretion, the court may stay the infringement case according to the circumstances (the alleged infringer may use the notice of acceptance of invalidation request to ask the court to stay the infringement proceedings); in fact, judges will more than likely await the board's decision on the validity of the patent. After the board issues its decision, either party may bring the decision to the competent legal court (the Beijing No 1 Intermediate People's Court, whose ruling may be appealed to the Beijing High People's Court, since the board is domiciled in Beijing).

An invalidation case before the board usually lasts between nine and 12 months; the first instance usually lasts between approximately nine and 12 months, and the second instance usually lasts between six and nine months.

### **Ownership changes and rights transfers**

Article 10 of the Patent Law governs the right of patent application and assignment of patent rights.

Any assignment by a Chinese entity or individual of the right of patent application or of the patent right to a foreigner, a foreign enterprise or any other foreign organization must adhere to the formalities contained in the relevant laws and administrative regulations.

Where the right of patent application or the patent right is assigned, the parties will conclude a written contract and register it with SIPO, which will announce the registration. The assignment takes effect as of the date of registration.

Article 12 of the Patent Law states that any entity or individual exploiting the patent of another shall conclude with the patentee a licence agreement for exploitation and pay the rights holder a fee for such exploitation. The licensee has no right to authorise any entity or individual – other than that referred to in the contract – to exploit the patent.

### **Related rights**

According to Article 23 of the Patent Law, any design for which patent rights may be granted must not conflict with any other party's legitimate right obtained before the filing date.

'Legitimate right' refers to a right or interest which is recognised by Chinese law and is valid before the filing date of the relevant design patent. This includes trademark rights, copyright, rights to enterprise names (including trade names), image rights and rights to the packaging and decoration of well-known goods.

For instance, a new shape of a wine bottle may obtain design patent protection under the Patent Law and may also be protected as a three-dimensional trademark under the Trademark Law. Further, works of applied art (eg, handicrafts or industrial articles) can obtain copyright protection. A work of applied art may also be the object of design patent protection if it can be mass produced in industry.

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