Simultaneously Filing Utility Model and Invention Patent Applications in China—Dual Filing Strategy and Considerations

Featured Article

Under the provisions of the Chinese Patent Law, utility model and invention patent applications can be simultaneously filed for the same invention. Specifically, Article 9.1 of the Chinese Patent Law provides: *"[f]or any identical invention-creation, only one patent right shall be granted. Where an applicant files on the same day applications for both patent for utility model and patent for invention relating to the identical invention-creation, and the applicant declares to abandon the patent for utility model which has been granted and does not terminate, the patent for invention may be granted."*

To take the advantages of the dual filing strategy, the utility model will be granted quickly thereby providing some patent protection, while the invention patent application is undergoing examination, which may take several years. However, the strategy is subject to strict applicable conditions, where the applicable conditions suitable for the exceptional circumstances will be interpreted with reference to typical cases.

For convenience of description, the above dual filing strategy is referred to "one case, two applications," *i.e.*, filing on the same day applications for both patents for utility model and invention relating to the identical invention-creation. The "one case, two applications" is considered as a special patent application strategy, having advantages of the invention and the utility model as well, and thereby being welcomed by many more applicants. Specifically, the "one case, two applications" has following advantages:

A. Increasing possibility of obtaining a patent right

According to the provisions of the patent Law, the inventiveness requirement for utility model is lower than that for invention, and the utility model is usually called as small invention. Therefore, in some cases, a technical solution fails to meet the inventiveness requirement for an invention and cannot be granted a patent right for invention, it is still possible to meet the inventiveness requirement for a utility model and be granted a patent right for utility model.

B. Obtaining a patent right quickly

Generally speaking, the examination period for a utility model is shorter, for example, 0.5-1 year; while the examination period for an invention is longer, usually about 3 years. Therefore, the applicant can quickly obtain a patent right for utility model by applying the "one case, two applications" application strategy, which enables the applicant to exploit the patent rights as soon as possible.

C. Obtaining a long patent protection period

As we all know, the protection period of a patent right for utility model is relatively short, only 10 years, and the protection period of a patent right for invention is longer, 20 years. Therefore, by

adopting "one case, two applications" strategy, the applicant can obtain a protection period of 20 years. However, “One Case, Two Applications” is subject to strict applicable conditions such as “the patent for utility model which has been granted does not terminate, and the applicant declares to abandon it” prescribed in Article 9.1 of the Chinese patent Law (hereafter referred to as “Article 9.1”), and “another patent application for the identical invention-creation has been filed by the applicant” prescribed in Rule 41.2 of Implementing Regulations of the patent Law of the People’s Republic of China (hereafter referred to as “Rule 41.2”). The following is a detailed description of the consequences of not meeting the above conditions with reference to typical cases.

The First Case (Reexamination Decision No. 109490)

The application involved (hereafter referred to as “the concerned application”) is an invention application No. 201110172337.7 filed on June 15, 2011. After substantive examination, the Patent Administration Department under the State Council (hereafter referred to as “the Patent Administration Department”) issued a rejection decision that the concerned application does not comply with the provisions of Article 9.1. The reference document 1 (CN202541761U) cited in the rejection decision is a utility model filed by the applicant on the filing date of the concerned application, and has been granted patent right for utility model on November 21, 2012. The claims of the utility model are the same as those of the concerned application.

The applicant was not satisfied with the rejection decision and requested the Patent Reexamination Board to make a reexamination. The applicant does not amend the claims of the concerned application.

The Patent Reexamination Board holds that the Reference Document 1 is another utility model patent application filed by the applicant on the same day (the filing date of the concerned application) for the same invention-creation as the concerned application. Although the utility model and the concerned application are different in text description, the technical solutions are essentially the same. The claims of the two applications contain the same technical solutions and therefore relating to the same invention-creation. The utility model has been granted a patent right, so the concerned application does not comply with the provisions of Article 9.1 *"For any identical invention-creation, only one patent right shall be granted"*.

Because the applicant fails to state upon filing the concerned application that another utility model patent for the identical invention-creation has been filed, which does not comply with the provisions of Article 9.1 and Rule 41.2. Therefore, the applicant cannot obtain the patent for invention by abandoning the patent for utility model

Accordingly, the Patent Reexamination Board made a decision of reexamination No. 109490 to maintain the earlier decision rejecting the application.

The reexamination requester was not satisfied with the decision of the Patent Reexamination Board and instituted legal proceedings in Beijing Intellectual Property Court.

Beijing Intellectual Property Court holds points in consistent with those of the Patent Reexamination Boar, and thus made a judgment of the first instance (2016) Jing 73 Xing Chu No. 4308, i.e., the plaintiff’s request has been rejected.

The plaintiff was not satisfied with the judgment of the first instance and appealed to the Beijing High People’s Court.

The Beijing High People’s Court holds points in consistent with those of Patent Reexamination Boar and Beijing Intellectual Property Court, and thus made a Final Judgment (2019) Jing xing zhong No. 271, i.e., the appeal has been rejected and the judgment of the first instance has been maintained.

The enlightenment given by the first case is that the applicant shall fulfill the obligation of "making a declaration" for the identical invention-creation on the same day when applying for both utility model patent and invention patent. If the applicant fails to do so, he cannot obtain the patent right for invention by waiving the patent right for utility model.

The Second Case (Invalidation Decision No. 45021)

The patent involved (hereafter referred to as "the concerned patent") is an invention patent No. 201710143522.0, filing date is March 11, 2017 and announcement date for granting a patent right is April 13, 2018.

The invalidation requester (hereafter referred to as "the requester") filed an invalidation request with the Patent Administration Department, requesting to declare the concerned patent invalid on the grounds that the concerned patent does not comply with the provisions of Article 9.1. The evidence 1 submitted by the requester is a utility model patent, the filing date is March 11, 2017, and the announcement date for granting a patent right is April 10, 2018. The claims of the utility model patent are the same as those of the concerned patent.

The patentee submits observations, indicating that he agreed to abandon the utility model patent, and has submitted a declaration of abandoning the patent right.

The Patent Reexamination Board holds that the utility model (evidence 1) and the concerned patent constitute the same invention-creation, and the patent right for the concerned patent should be declared invalid. However, according to the provisions of Article 9.1, if the two patent rights are a patent right for utility model and a patent right for an invention applied by the same patentee on the same day, the patentee has made an declaration according to Rule 41.2 at the filing date, and the patent right for utility model has not been terminated when the patent right for invention to be granted. Under this circumstance, patentee can retain the patent right for invention of the concerned patent by waiving the previously granted patent right for utility model.

In this case, patentee had already made a declaration when filing the application. The patent right of the utility model in evidence 1 had not been terminated at the time the concerned patent was granted. In the invalidation procedure, patentee filed a declaration of waiving the patent right for the utility model, and the declaration has become effective.

Accordingly, the Patent Reexamination Board made a reexamination decision, i.e., the rejection decision has been revoked.

The enlightenment given by the second case is that an applicant files on the same day applications for both a patent for utility model and a patent for invention for the identical invention-creation, and both of the utility model and the invention have been granted patent rights. In the invalidation procedure, the patentee has the opportunity to retain the patent right for invention by waiving the patent right for utility model as long as the patentee has made a declaration that another patent application for the identical invention-creation has been filed on the filing date according to Rule 41.2.

The Third Case (Invalidation Decision No. 34931)

The patent involved (hereafter referred to as "the concerned patent") is an invention patent No. 201110222488.9, filing date is August 04, 2011 and announcement date for granting a patent right is May 11, 2016.

The requester filed an invalidation request with the Patent Administration Department, requesting to declare the concerned patent invalid on the grounds that the concerned patent does not comply with the provisions of Article 9.1. The evidence 1 submitted by the requester is a utility model patent. The announcement date for granting a patent right is May 09, 2012. The claims of the utility model patent are the same as those of the concerned patent.

The Patent Reexamination Board holds that the prohibiting double patenting includes exceptional circumstances according to Article 9.1, that is, an applicant files on the same day applications for both patent for utility model and invention relating to the identical invention-creation, he can obtain patent right for invention by waiving the patent right for utility model to avoid double patenting. However, the prerequisites that should be met are as follows: the applicant has made declaration at the time of filing the applications; the previously obtained patent right for utility model has not been terminated, and the applicant declares to abandon the patent right for utility model, otherwise the invention patent right cannot be granted.

In this case, prior to the granting date of the concerned patent May 11, 2016, the previously granted patent right for utility model has terminated on August 4, 2013 because the patentee failed to pay or fully pay the annual fee within the time limit. The related technology has entered the public domain and can be used freely by the public. If a patent right is granted to the above-mentioned invention for the identical invention-creation, and thereby cannot be used freely by the public, it is unfair to the public.

The previously obtained patent right for utility model has not been terminated, which is one of the prerequisites for obtaining patent right for invention by waiving the previously granted patent right for utility model. However, the concerned patent does not meet this condition, and therefore does not apply to the exceptional circumstance provided in Article 9, and the concerned patent should not be granted patent right.

Accordingly, the Patent Reexamination Board made an invalidation decision: declaring the concerned patent right invalid.

The invalidation requester was not satisfied with the decision of the Patent Reexamination Board and instituted legal proceedings in Beijing Intellectual Property Court.

Beijing Intellectual Property Court holds that the practice of applying for both utility model and invention patents for the identical invention-creation on the same day by the same applicant is a conditional affirmation as an exceptional circumstance to the prohibition of double patenting according to Article 9. On the one hand, it fully ensures the applicant's choosing right, so that the applicant can obtain a patent right quickly and has a longer protection period. It also balances the public's right to know and ensures that the public's interests are not harmed. On the other hand, necessary restrictions are imposed in this practice, that is, only when the previously obtained patent right for utility model has not been terminated and the applicant declares to waive it, the patent right for invention can be granted.

Beijing Intellectual Property Court made a judgment of the first instance (2018) Jing 73 Xing Chu No. 3561 i.e., the plaintiff's request has been rejected.

The plaintiff was not satisfied with the judgment of the first instance by Beijing Intellectual Property Court and appealed to the Beijing High People's Court.

The Beijing High People's Court holds points in consistent with those of the patent Reexamination Boar and the Beijing Intellectual Property Court.

The Beijing High People's Court further explains Article 9.1 *"For any identical invention-creation, only one patent right shall be granted"* means "The identical invention-creation cannot be granted a patent twice"; and *"an applicant files on the same day applications for both patent for utility model and patent for invention relating to the identical invention-creation, and the applicant declares to abandon the patent for utility model which has been granted and does not terminate, the patent for invention may be granted"* means an exceptional circumstance. In this exceptional circumstance, the identical invention-creation **can** be granted twice when the necessary conditions are met.

In this case, because patentee failed to pay or full pay the annual fee for utility model patent as

required, and the "right restoration period" has expired, the patent right for utility model has been terminated and cannot be restored, which does not comply with the "patent right for utility model has not terminated" in the exceptional circumstance prescribed in Article 9. In addition, the termination of the patent right for utility model due to not paying the annual fee by the patentee cannot be equivalent to the termination because of the patentee's voluntary declaration to waive the patent right for utility model in order to obtain the patent right for the concerned patent. Therefore, the concerned patent cannot be applied in Article 9.

Beijing High People's Court made a Final Judgment (2019) Zui gao fa zhi xing zhong No. 118, i.e., the appeal has been rejected and the judgment of the first instance has been maintained.

The enlightenment given by the third case is that the applicant files on the same day applications for both patents for utility model and patent for invention relating to the identical invention-creation. If the previously granted patent right for utility model has expired before the invention is to be granted, the invention will not be granted, or the granted patent right for invention will be declared invalid.

In conclusion

The applicable conditions for the strategy "One Case, Two Applications" should be extraordinarily concerned as putting this strategy into practice. Only under a condition of making a declaration of "One Case, Two Applications" at the time of filing the applications, the applicant would have a right whether to choose the invention or the utility model as prescribed in Article 9, and only under a condition that the previously granted patent right for utility model is always in a valid state before a patent right for the invention is to be granted, the applicant would acquire the patent right for invention by the declaration of abandoning the patent right for utility model.

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Ms. Candy Kan has expertise in patent prosecution, patent invalidity, patent administrative litigation, patent strategy design, portfolio development, and patent infringement analysis, patent analysis, etc. She is very experienced in patent cases in technical areas of vehicles, containers, ocean platforms, pressure vessels, heavy machinery, power electronics, micro-electromechanical devices, new energy equipment, environmentally friendly processes, aircraft components, semi-conductor, etc. Since October 2000, Ms. Kan has represented many Fortune 500 companies in over 2,000 patent prosecution and litigation cases, and has provided long-term intellectual property training and patent strategy services for large enterprises and multinational companies.

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