Aspects of Evaluation Report for Patent

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In the third amendment of the Chinese Patent Law released on December 27th, 2008, the procedure of providing search reports only to utility model patents has been changed to that of providing evaluation reports for both utility model patents and design patents. Further, in the second revision of the Implementing Regulations of the Chinese Patent Law released on January 9th, 2010, aspects of the evaluation report for patent (hereinafter referred to as "Evaluation Report") have been prescribed in details on Rules 56 and 57. So far, the Evaluation Report got into the public eye. However, since the Evaluation Report is an optional procedure independent of other procedures in the patent system, users may not be so familiar with that procedure. In view of this, the author sorted out information relating to the Evaluation Report in a Q&A format, in order to give some help for the users of the patent system.

1. What is the Evaluation Report prescribed in the Chinese Patent Law?
   The Evaluation Report is an analysis for a utility model patent or design patent made by the State Intellectual Property Office (SIPO) after searching, to give a conclusion whether the patent is in compliance with conditions for grant. It should be noted that only the Evaluation Report made by SIPO has the effect of fighting against the suspension of the patent infringement lawsuit (hereinafter referred to as “infringement proceedings”).

2. Which kind of patent may require the Evaluation Report?
   A request for acquiring the Evaluation Report from SIPO may be accepted for a utility model patent or design patent of which the filing date (which is the priority date, if any) is on or after October 1st, 2009. Please note that SIPO does not provide the Evaluation Report for an invention patent.

3. Who is eligible to ask for the Evaluation Report from SIPO?
   SIPO may accept the request for an Evaluation Report submitted by the patentee or the interested party. If there is more than one patentee, the petitioner requesting the Evaluation Report may be part of the patentees. As to the interested party, it refers to the person who has the right to file a lawsuit before the court or request the administrative authority for patent affairs to handle the infringement dispute regarding the patent. For example, the licensee of an exclusive patent license contract, or the licensee of a common patent license contract who has been authorized by the patentee the right to sue is the interested party.

4. When can the Evaluation Report be requested?
   The request for the Evaluation Report can be filed only after the utility model patent or design patent has been granted. The Evaluation Report cannot be requested for a patent that has been wholly declared invalid.

5. What is the cost for acquiring the Evaluation Report?
   The petitioner shall pay the fee for requesting the Evaluation Report, which is RMB 2,400. The fee for requesting the Evaluation Report shall be paid within one month from the submitting date of the request. If the fee is not paid or not fully paid within the time limit, the request shall be deemed not to have been made.

6. How long can the petitioner obtain the Evaluation Report?
   SIPO shall make the Evaluation Report within two months after the receipt of both the request and the fee for the Evaluation Report. In consideration that the time limit of rendering the first instance verdict for the infringement proceedings in China is six months, it is necessary for SIPO to make the Evaluation Report quickly.
7. What is the main content of the Evaluation Report?
As to a utility model patent, the content for the Evaluation Report is the same as that required in the invalidation procedure except that the confidentiality provision is not required to be examined. As to the design patent, the provisions involved in the Evaluation Report are the same as those related to the invalidation procedure.

8. How to question the Evaluation Report?
Currently, SIPO does not provide any chance for the petitioner to present observations in the course of the implementation of the Evaluation Report. However, the petitioner may submit a correction request within two months from the date of receipt of the Evaluation Report, while not be allowed to modify the patent document. Usually, there is only one chance for requesting the correction. After SIPO receives the correction request, a three-member reviewing group may start a procedure for correction, and draw a conclusion saying that the Evaluation Report "need not be corrected" or "need to be corrected" according to results of the review. Since the Evaluation Report is not an administrative decision, it is not possible to apply for an administrative reconsideration or administrative litigation to oppose the Evaluation Report.

9. Is it possible to request multiple Evaluation Reports for the same utility model patent or design patent?
As to the same utility model patent or design patent, SIPO only makes one Evaluation Report even if there are multiple petitioners requesting for the Evaluation Report. Once the Evaluation Report is made, it is available to the public, i.e., any entity or individual may view or copy the Evaluation Report whenever they need.

10. What is the usage of the Evaluation Report?
(1) When the Evaluation Report is required by the court or the administrative authority for patent affairs for the infringement dispute
In the trial of the infringement, the court or the administrative authority for patent affairs may require the patentee to provide the Evaluation Report as an evidence for the trial. During the infringement proceedings, if the plaintiff refused to submit the Evaluation Report requested by the court without justified reasons, the court may decide to suspend the infringement proceedings or to order the plaintiff to bear possible adverse consequences. If the plaintiff furnished the Evaluation Report, which did not include any ground for invalidating the utility model patent or design patent, the court may not suspend the infringement proceedings even if the defendant raised a request to invalidate the patent during the proceedings.

(2) When the Evaluation Report is obtained before the infringement proceedings
The patentee may get the Evaluation Report before the initiation of the infringement proceedings, in order to estimate the chance to win the lawsuit, and design litigation strategies in accordance with the conclusion of the Evaluation Report. Also, the patentee may take the initiative to submit the Evaluation Report to the court in the infringement proceedings.

(3) When the Evaluation Report is requested by an assignee or licensee during the patent deals
The Evaluation Report may to some extent reflect the stability of a utility model or design patent right, thereby reducing the trade risk of the assignee or licensee, and help to carry out pledge, asset valuation and financing activities based on the patent right.