Amendment to Claims of Granted Patent under Chinese Patent Law

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Received 15 April 2012, revised 24 August 2012

A granted patent may have defects in its claims which affect its validity; and thus it is important for the patentee to find a process to amend claims in order to protect his invention. But a Chinese patentee may only do so in the centralized patent invalidation proceedings on strict—or precisely rigid—conditions. The Supreme People’s Court of PR China, however, recently showed willingness to relax them. In *Patent Reexamination Board (PRB) v Jiangsu Xiansheng Pharm Co Ltd et al.*., the Court held that a patentee may amend a claim in a manner other than that provided in the Guidelines for Patent Examination, rejecting PRB’s rigid application of law. While patentees are applauding this development, there is risk of opening backdoor for poor patents, for the amended claims may be ‘maintained’ as valid without full examination. In the wake of the Xiansheng case, PRB should be required to do comprehensive examination in light of the whole patent regime to determine whether claims amended in invalidation proceedings meet all the statutory requirements for granting a patent.

Keywords: Post-grant amendment, patent invalidation proceedings, full examination

A granted patent may have defects in its claims which affect their validity. If there is no procedure allowing the patentee to correct them, the patent is destined to be declared invalid and the patentee is left with no protection. To remedy this situation, the US patent law has adopted reissue and reexamination procedures; the European Patent Convention 2000 (EPC 2000) has established a ‘limitation’ procedure. Under these procedures, a patentee may correct defects in claims of an issued patent. In contrast, there is no like procedure under the Chinese Patent Law (CPL). A patentee may correct defects in a claim of an issued patent only when it is challenged by a third party who files a request with the Patent Reexamination Board under State Intellectual Property Office (PRB) to declare the patent invalid. In this procedure, amendment to a claim may only be done under strict—or precisely rigid—requirements.

However, the Supreme People’s Court of PR China (SPC) is showing willingness to relax such requirements. In October 2011, SPC rejected the petition for certiorari with regard to *PRB v Jiangsu Xiansheng Pharm Co Ltd et al.* (Xiansheng case).† In doing so, the Court held that a patentee may amend a claim in a manner other than that provided in the Guidelines for Patent Examination (GPE), rejecting PRB’s rigid application of law. Thereafter, the Court reinforced this opinion in a series of cases. In view of the former practices, this opinion introduces much legal uncertainty and may open backdoor inadvertently for issuing poor patents, however. The purpose of this note is to discuss it in detail and in depth.

Rules for Amending Claims in Patent Invalidation Proceedings

The patent invalidation procedure is one of the essential features of the Chinese patent system. In China, no court has the power to declare a patent invalid, even in hearing a patent infringement action. Those who seek to nullify a granted patent must file a request with PRB and undergo the centralized invalidation procedure. PRB is a quasi-judicial body under the central government. It follows the general principles of the Chinese civil procedure law, but does not have the same independence as a Chinese court. Its head is the Director-General of State Intellectual Property Office (SIPO). And more importantly, it is not only bound by laws, regulations issued by the State Council, as all Chinese courts do, but also by the GPE promulgated by SIPO, which does not bind courts. A party adversely affected by a PRB’s decision may only appeal to the First Intermediate Court of Beijing City, the judgment of which is in turn subject to appellate review by the High Court of Beijing City.

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After the High Court has rendered the final judgment, the unhappy party may only petition the Supreme Court for certiorari.

A patentee may amend claims of his patent after grant only when their validity is challenged through the invalidation procedure. The Article 33 of CPL 2008 mentions nothing about whether a patentee may amend claims of a granted patent. It provides only that an applicant may amend his patent application. However, the Implementing Regulations under Chinese Patent Law (IRCPL) allows a patentee to do so in patent invalidation proceedings. Rule 69 para.1 of IRCPL 2010 (formerly Rule 68 para.1 of IRCPL 2001) provides that in patent invalidation proceedings, a patentee for an invention or utility model may amend the claims, but must not broaden the scope of protection for the original patent.

The GPE further lays down the principles and manners for amending granted patents in invalidation proceedings. Specifically, Section 4.6, Chapter 3 of Part IV GPE provides that any amendment must be limited to claims, and must abide by the following principles (principles of amendment): (1) the subject matter of the claim may not be changed; (2) the scope of protection for the amended claim may not be broadened relative to that of the original claim as granted; (3) the amendment shall not go beyond disclosure of the original description and claims; and (4) new technical features not present in the claims as granted is generally precluded.

In addition to these principles, GPE requires that amendment to claims in patent invalidation proceedings must be generally confined to the following manners (manners of amendment): deletion or combination of claims or deletion of technical solution. The Xiansheng case mainly involved the manner of ‘deletion of technical solution’, i.e., deleting one or more technical solutions of the two or more technical solutions standing in parallel in the same claim.

In patent invalidation proceedings, when the patentee’s request to amend the claim challenged is admissible, the requester may not question the validity of the original claim as granted any more. Rather, he may challenge the claim as amended. PRB takes the position that, by an amendment to a challenged claim in patent invalidation proceedings, the patentee in effect has admitted that the original claim in the granted patent has the defects pointed out by the requester and to this extent, such original claim must be invalid ab initio. According to GPE, where the patentee narrows down the scope of a claim in response to an invalidation request, and such amendment is allowed by PRB, the patentee is deemed to admit the territory between the original and amended claim should not have been granted at the first place.

For the claim as amended, the requester may raise new grounds and come up with relevant evidence and arguments. When he has done so within the specified time limit, PRB will examine the validity of the amended claim on the grounds both original and newly raised.

However, if the requester rests content with the claim as amended, PRB will only examine whether the amendment comply with the ‘principles of amendment’ and the ‘manners of amendment’. Otherwise, PRB will not on its own initiatives make a comprehensive examination of the validity of the amended claim in the light of all statutory requirements for granting a patent. GPE provide specifically that in the invalidation procedure, PRB performs examination pursuant to the requested scope, that is, review the validity of the disputed patent on the grounds and evidence submitted by the parties, and has not the duty to do a comprehensive examination on the validity of the disputed patent.

This applies to amended claims as well. The parties may even reach a settlement on the amended claims. In practice, when the requester compromises with the patentee on the extent of protection with regard to the claim as amended, PRB would maintain the patent so amended as valid if it is satisfied that the amendments comply with the ‘principles of amendment’ and the ‘manners of amendment’. Without such a settlement, when the requester makes it clear that he does not raise any new grounds with regard to the claims as amended by the patentee, PRB will not examine those claims, either.

For this practice, GPE proceeds on the presumption that so long as an amendment complies with the ‘principles of amendment’ and the ‘manners of amendment’, the resultant claim must satisfy all the statutory requirements for granting a patent under CPL and IRCPL. When the ‘principles of amendment’ and the ‘manners of amendment’ are strictly applied, this presumption is good. But the upshot of the Xiansheng case is to relax these requirements. So, it is worthwhile to look at the case closely.
The Xiansheng case makes New Rules for Amending Claims in Patent Invalidation Proceedings

Xiansheng Pharm Co Ltd obtained the patent in suit from Shanghai Jiahua Pharm Co Ltd. Jiahua filed the application with SIPO on 19 September 2003 to patent a compound preparation and was granted a patent on 23 August 2006. The Claim 1 was in dispute, which goes as follows: ‘A pharmaceutical composition comprising active ingredients amlodipine or amlodipine physiologically acceptable salt, and irbesartan, in a proportion of 1: 10-30 by weight.’

For this patent, Li Ping filed a request with PRB to declare it invalid. In September 2009, PRB held an oral hearing. At the hearing, Jiahua proposed to amend Claim 1, that is, to change the ratio ‘1:10-30’ into ‘1:30’. PRB decided that this amendment was not in compliance with GPE and rejected to review the invalidation request on the basis of the claim thus amended. Specifically, PRB held that the amendment was not made in one of the manners specified in GPE. In PRB’s view, ‘deletion of technical solution’ under GPE was ‘deleting one or more technical solutions of the two or more technical solutions standing in parallel in the same claim’. For the Claim 1 as granted, ‘1:10-30’ was ‘one technical solution’, not ‘two or more technical solutions standing in parallel’. And thus changing it into ‘1:30’ was not ‘deletion of technical solution’ within the meaning of GPE. Relying on the patent as granted, PRB declared the relevant claim as invalid by the decision WX 14275.

Dissatisfied with the PRB’s decision, Jiahua brought an administrative suit. The First Intermediate Court of Beijing City supported the PRB’s arguments, and upheld the decision. It was at this time that Jiahua transferred to the patent in suit to Xiansheng.

Xiansheng, as the successor in title, appealed to the High Court of Beijing City. The court took side with Xiansheng, finding that the amendment Jiahua made in the invalidation proceedings ‘does not broaden the extent of protection of the patent in suit, nor go beyond the disclosure of the original description and claims, nor add any technical feature that is not present in the claims as granted’. The court thus held that PRB shall accept the amendment, and review the invalidation request on the basis of the amended claim.

PRB was not satisfied with this final judgment and filed a petition with SPC for certiorari. PRB argued that the amendment Jiahua made was not in compliance with the ‘manners of amendment’ specified in GPE, and thus may not serve as the basis for reviewing the invalidation request.

The Supreme Court took a middle position. On the one hand, the Court held that amendments to claims made in patent invalidation proceedings must comply with IRCPL and GPE, specifically the ‘principles of amendment’ and the ‘manners of amendment’. On the other hand, the Court held that GPE does not preclude ‘other manners of amendment’ not specifically provided for in GPE. The court found that the amendment at issue was made in an acceptable manner, being a modified ‘deletion of technical solution’. The Court noted that IRCPL and GPE limit possible amendments to claims in invalidation proceedings primarily on the following ‘two major grounds’: to safeguard stability of the scope of patent protection by upholding the public notice function of claims; and to prevent an unjust priority to elements discovered later than the filing date by forbidding a patentee from incorporating into claims through later amendment a new technical solution that was absent in the description on the filing date. The Court found that said amendment here squared with these two considerations, neither going beyond the scope of the original description and claims, nor broadening the extent of protection of the original patent. While the original claim comprising the technical solution 1:10-30 was not a typically one in which two or more technical solutions stood in parallel, the ratio 1:30 was explicitly presented in the description as the best dosage ratio. Said amendment that changed the ratio 1:10-30 into 1:30 was thus equivalent to deletion of technical solution. Furthermore, the Court added, the amendment made the extent of protection for the claim more ‘clear’. For these reasons, the Court held that, in justice, the amendment should be permitted.

The Future for Amending Claims after Grant

Patentees are applauding the above Supreme Court’s opinion, for it gives them more latitude to preserve validity of a challenged patent. But such holding runs the risk of opening backdoor for poor patents born of amendment in invalidation proceedings, which fall short of all the requirements for patenting an invention.

To be sure, neither CPL, nor IRCPL, nor GPE, require PRB to do a comprehensive examination of claims amended in the patent invalidation procedure in the light of all statutory requirements for granting a patent. Under the current Chinese patent regime, PRB only examines whether an amendment is done in one of the ‘manners of amendment’ specified in GPE and whether it satisfies the ‘principles of amendment’.

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Otherwise, it is for the opposing party to raise specific grounds to challenge the validity of the amended claims. Consequently, for a claim which is amended, as sanctioned by the Xiansheng case, in a manner other than the manners of amendment, it will be announced as valid once it meets the ‘principles of amendment’ and survives on the specific grounds raised by the requester, if any. But the combination of the ‘principles of amendment’ and the specific grounds might well fall short of all the statutory requirements for issuing a patent. Therefore, the Xiansheng case, while relaxing the requirements for amending claims in invalidation proceedings, may loosen the requirements for patenting inadvertently.

In Xiansheng case, there is no indication that the Supreme Court was aware of this danger. Nonetheless, the Court suggested that in addition to the ‘principles of amendment’ and the ‘manners of amendment’, PRB may reject an amendment in invalidation proceedings on other grounds. In holding that there was no violation of the ‘principles of amendment’, the Court indicated that where an amendment ‘is likely to cause adverse consequences, such as renders the claim fuzzy or confusing’, PRB may reject it. In so holding, the Court effectively authorized PRB to review claims amended in invalidation proceedings under Article 26 para.4 CPL, which provides that ‘claims shall be clear…, concisely define the scope of protection sought.’ This condition is not part of the ‘principles of amendment’ or the ‘manners of amendment’.

It is unclear, however, whether ‘the adverse consequences’ meant by the Supreme Court cover non-compliance with any of the statutory conditions for granting a patent. In Xiansheng case, the Court left the concept ‘other manners of amendment’ undefined, without even offering some explanatory examples. The legal uncertainty is thus considerable. For instance, the three manners of amendment as now recognized in GPE are conditioned upon satisfying the ‘principles of amendment’. For the ‘other manners of amendment’, a notable question is whether PRB may require any prerequisites other than the ‘principles of amendments’? Or PRB only needs to consider whether ‘other manners of amendment’ are in line with the ‘two major grounds’ noted by the Supreme Court which underlie IRCPL and GPE for regulating amendments to claims in patent invalidation proceedings? Or PRB should consider all the statutory requirements for granting patents before allowing such amendment?

In the wake of Xiansheng case, PRB should be required explicitly to do comprehensive examination for claims amended in invalidation proceedings in the light of all statutory requirements for allowing a patent, as vigorously as the Patent Office does with regard to any patent application. In essence, an amended claim has not undergone any substantive examination for its patentability at all. Before being granted a patent, such a claim must satisfy all the statutory requirements, just like all claims. It is wrong to rely on the third party who filed an invalidation request challenging the validity of the claims as granted to raise further grounds and come up with further evidence to challenge again the validity of the amended—and unexamined—claim. He may lack the necessary interests to indentify and prove all defects in those claims. It will be too costly and demanding for him. So long as the amended claim does not cover his products or services any more, it is more than likely that he will settle with the patentee. If PRB does not shoulder the duty to examine them in the light of all statutory requirements for granting, it is equal to say that, in invalidation proceedings, patentees may amend the challenged defective claim and preserve patent rights over the claim as amended—even though the amended claim might be equally or even more defective in light of the whole patent regime—subject only to the willingness of the opposing party. Therefore, PRB should examine the amended claim fully and ensure that any amended claim maintained as valid in invalidation proceedings meets all the statutory requirements for issuing a patent and thus are entitled to the presumption of validity.

This proposed duty on PRB is also justified in view of developed patent regimes. As early as 1990, the EPO Technical Board of Appeal (TBA) pointed out in T472/88 that where amendments are requested by a patentee in the course of opposition proceedings, the European Patent Convention (EPC) confers upon the Opposition Division as well as the Boards of Appeal the power to consider ‘the whole of the EPC.’ This holding was affirmed by the Enlarged Board of Appeal, and is now a rule of law under EPC. As a result, while TBAs have only limited power to review claims as granted in the light of specified grounds under Article 100 EPC 2000, they have the power to examine the validity of claims as amended in opposition in the light of whole EPC.

In view of the backlog of patent invalidation cases, some may suspect that PRB does not have the necessary resources to do comprehensive examination
of the validity of claims amended in the invalidation procedure. This is probably true. The way out may be for PRB to authorize the relevant departments of the Patent Office to do such examination. Where the patentee is not satisfied with the decision made upon the examination, he could request PRB to re-examine. Where the requester is dissatisfied, he may challenge it before PRB on the ‘grounds for invalidation’ as specified in Rule 65 IRCPL.

This is a half solution, however. It is widely held that Chinese patent agents are not good at drafting claims to protect valuable inventions. It is not uncommon that a claim is only found to be defective after grant. It would be unfair to hold a patentee fully responsible for bad drafting without any remedy. For this reason, the Supreme Court relaxed requirements for amendment to claims in invalidation proceedings. But this might fail to provide adequate protection to the patentee. A court may find a badly drafted claim defective in infringement litigation, and thus refuse to accord it with the presumption of validity, or to cut back on the extent of protection for the patent. In the foreseeable future, China should consider adopting a procedure similar to the reissue and reexamination procedure under the US patent law, or the limitation procedure under EPC 2000, so as to give better protection for innovation, whereby a patentee may request amendments on his own initiatives to defective claims of an issued patent. At the same time, such a procedure allows the Patent Office to do full examination of amended claim, and thus ensures good quality of issued patents.

Acknowledgement

The author expresses gratitude for the joint support from the Guanghua Education Foundation and Zhejiang University Guanghua Law School for this paper and other related research.

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