

Measures for Compulsory Licensing of Patent Implementation
Promulgated by the State Intellectual Property Office on 2003-6-13

Chapter I General Provisions

Article 1 In order to standardize implementing the granting, expenses determination and termination procedures for compulsory licensing of invention patent or patent of utility models (hereinafter referred to as the compulsory licensing), the Measures are hereby formulated in accordance with the Patent Law of the PRC (hereinafter referred to as the Patent Law), the Implementation Rules of the Patent Law of the PRC (hereinafter referred to as the Implementation Rules of the Patent Law) and the relevant laws and regulations.

Article 2 The State Intellectual Property Office is in charge of the acceptance and investigation of the petitions and makes decisions on compulsory licensing, the adjudication of the use fees of compulsory licensing and the termination of compulsory licensing.

Article 3 The petitions for granting compulsory licensing, for adjudication of the use fees of compulsory licensing and for termination of compulsory licensing shall be handled with in Chinese in a written form.

In case the certificates, certification document submitted in compliance with the Measures are in foreign languages, the parties concerned shall provide the translation version in Chinese at the same time, and failure to submit the Chinese version will be deemed as failure to provide the relevant certificates or certification documents.

Article 4 When petitioning for the right holders of invention or patent of utility models to offer licenses in implementing their patents but failing to obtain such licenses in a reasonable term, the unit eligible for such implementation may petition for granting of the compulsory licensing in implementing the invention patent or patent of utility models according to the provision of Article 48 of the Patent Law.

In case an invention or utility model obtaining patent is of material technological advancement in obvious economic significance as compared with the previous one that has obtained patent and its implementation depends on the implementation of the previous invention or utility model, the patent holder thereof may according to the provision of Article 50 of the Patent Law petition for granting the compulsory licensing in implementing the former patent, and vice versa.

In emergency or irregular event of the state, or for the purposes of public interest, the competent department under the State Council is entitled to grant the compulsory licensing for implementing the invention patent or patent of utility models as per the petitions based on the provisions of Article 49 of the Patent Law.

Article 5 When authorizing the patent agency to submit the petition for compulsory licensing, the petitioner shall provide the power of attorney and the authority indicated.

When there are no less than two petitioners without authorized patent agency, unless otherwise stated in the petition, the first petitioner indicated in the petition shall be deemed as the representative.

Chapter II Review and Decisions of Petitions for Compulsory Licensing

Article 6 When petitioning for grant of compulsory licensing, an application for compulsory licensing should be submitted to the State Intellectual Property Office, indicating the following items:

(I) Name and address of the petitioner;

(II) Nationality of the petitioner or the country where the headquarter is located;

(III) The name, patent number, date of application and date of authorized announcement of the invention patent or patent of utility models relating to the petitioned compulsory licensing;

(IV) Name of the right holders of the invention patent or patent of utility models relating to the petitioned compulsory licensing;

(V) Reasons and facts for petitioning for grant of the compulsory licensing;

(VI) When authorizing a patent agency, the petitioner shall indicate the relevant items; and in case there is no authorized patent agency, name, address, postcode and contact telephone of the contact person should be indicated;

(VII) The signature or stamp of the petitioner; and if there is an authorized agency, the stamp of the agency is required also;

(VIII) List of the attached documents;

(IX) Other items required to state.

The petition and attached documents should be executed in two copies.

Article 7 In case a petition for compulsory licensing relating to multiple invention patent or patent of utility models involves two or more patent right holders, different petitions should be submitted to different patent right holders.

Article 8 In any of the following cases relating to the compulsory licensing, the State Intellectual Property Office will not accept the petition with notification to the petitioner:

(I)the patent number of the invention patent or patent of utility models relating to the petitioned compulsory licensing is not clear or is hard to identify;

(II)The petitioning documents without Chinese version;

(III)Obviously no reason available for petitioning compulsory licensing.

Article 9 In case the petitioning documents do not meet the provisions of Articles 6 and 7 of the Measures, the petitioner shall within 15 days upon receipt of the notice make up for the documents. In case of failure to making up for the documents required, the petition will be deemed as no submission.

The petitioner shall within a month upon the petition for compulsory licensing pay the petitioning fees of compulsory licensing; and in case of nonpayment or insufficient payment of such petitioning fees, the petition will be deemed as no submission.

Article 10 In terms of the petitions for compulsory licensing in compliance with the provisions of the Patent Law, the Implementation Rules of the Patent Law and the Measures, the State Intellectual Property Office shall send the copy of the petition to the patent right holders. The patent right holders shall state their opinions within the time schedule specified. In case of no reply beyond the time schedule, the State Intellectual Property Office may make a decision as usual.

Article 11 The State Intellectual Property Office shall review the reasons stated by the petitioner and the relevant certification documents. In case of field verification required, the State Intellectual Property Office shall assign no less than two persons to carry out the field verification.

In case the reasons stated by the petitioner and the relevant certification documents are insufficient or false, the State Intellectual Property Office may prior to the refusal to the petition of compulsory licensing send notification to the petitioner for providing the latter with an opportunity for statement of its opinions.

Article 12 In case the petitioner or the patent right holders request for hearing, the State Intellectual Property Office may organize a hearing.

The State Intellectual Property Office shall seven days before the hearing send notification to the petitioner, patent right holders and other persons of interest.

Except for involvement of state secrets, commercial secrets or personal privacy, the hearing should be held in open session.

When the State Intellectual Property Office is holding a hearing, the petitioner, patent right holders and other persons of interest may defend and make cross-examination.

The hearing should be recorded in writing, which should be signed or stamped upon

confirmation without error by the participants.

The hearing procedure is not applicable to the petitions for grant of compulsory licensing according to the provisions of Article 49 of the Patent Law.

Article 13 In any of the following cases, the State Intellectual Property Office shall make a decision on refusal to the petition for compulsory licensing, with notification sent to the petitioner:

(I) the petitioner is not an eligible subject as specified by Article 4 of the Measures;

(II) The reasons for petitioning the grant of the compulsory licensing are not in compliance with the provisions of Articles 48, 49 and 50 of the Patent Law;

(III) The reasons are not in compliance with the provision of Article 72 of the Implementation Rules of the Patent Law when the petition for compulsory licensing involves the invention and creation of semiconductor technologies.

If objecting to the decision of refusal to the petition of compulsory licensing, the petitioner may institute a lawsuit with the people's court within three months upon receipt of the notice.

Article 14 The petitioner may withdraw its petitions for compulsory licensing from time to time, and in case the petitioner withdraws its petitions prior to the decision by the State Intellectual Property Office, the review procedures for the petition of compulsory licensing terminate.

In case of reaching a licensing contract on patent implementation by and between the petitioner and the patent right holder prior to the decision by the State Intellectual Property Office, timely notice should be given to the State Intellectual Property Office and the petition for compulsory licensing should be withdrawn directly.

Article 15 In case of no reason for refusal to the petition of the compulsory licensing through review, the State Intellectual Property Office shall make a decision on granting compulsory licensing, with the following items stated:

(I) Name and address of the individual or unit obtaining the compulsory licensing for patent implementation;

(II) The name, patent number, date of application and date of authorized announcement of the invention patent or patent of utility models relating to the petitioned compulsory licensing;

(III) Scope, scale and term of the compulsory licensing granted;

(IV) Reasons, facts and legal basis for the decisions;

(V)The stamp of the State Intellectual Property Office and the signature of the responsible persons;

(VI)Date of decisions; and

(VII)Other relevant matters.

The decisions on granting the compulsory licensing should be timely notified to the petitioner and the patent right holders.

Article 16 In case the patent right holders object to the decision of granting compulsory licensing, lawsuit may be brought at the people's court in within three months upon the receipt of the notice.

Article 17 The decision that has come into force on granting compulsory licensing should be registered on the patent register and published on the patent gazette of the State Intellectual Property Office, the government websites and China Intellectual Property News.

Chapter III Review and Finding of the Petitions for Adjudication of the Use Fees of the Compulsory Licensing

Article 18 The petitions for the State Intellectual Property Office to determine the use fees of the compulsory licensing shall be available for the following conditions:

(I)Publication of the decisions on granting the compulsory licensing;

(II)The petitioner is the patent right holder or a unit or individual that obtains the compulsory licensing;

(III)Failure to reach an agreement through mutual consultation.

Article 19 In case of petitioning for determining the use fees of the compulsory licensing, an application should be submitted for adjudication of the use fees of the compulsory licensing, indicating the following items:

(I)Name and address of the petitioner;

(II)Nationality of the petitioner or the country where the headquarters of the petitioner is located;

(III)Document number that making the decisions on granting the compulsory licensing;

(IV)Name and address of the petitioned;

(V)Reasons for petition of the adjudication of the use fees of the compulsory licensing;

(VI)When authorizing a patent agency, the petitioner shall indicate the relevant items; and in case there is no authorized patent agency, name, address, postcode and contact telephone of the contact person should be indicated;

(VII)The signature or stamp of the petitioner; and if there is an authorized agency, the stamp of the agency is required also;

(VIII)List of the attached documents;

(IX)Other items required to state.

The petition and attached documents should be executed in two copies.

Article 20 In any of the following cases relating to the petitions for the adjudication of the use fees of the compulsory licensing, the State Intellectual Property Office may not accept the petitions, with notification sent to the petitioner:

(I)The decisions involved on granting the compulsory licensing are not clear or not published;

(II)The petitioning documents without Chinese version;

(III)Obviously no reason available for petition for adjudication of the use fees of the compulsory licensing.

Article 21 In case the petitioning documents do not meet the provisions of Articles 49 of the Measures, the petitioner shall within 15 days upon receipt of the notice make up for the documents. In case of failure to making up for the documents required, the petition will be deemed as no submission.

The petitioner shall within a month upon the petition for compulsory licensing pay the petitioning fees of adjudication of the use fees of the compulsory licensing; and in case of nonpayment or insufficient payment of such petitioning fees, the petition will be deemed as no submission.

Article 22 In terms of the petitions for adjudication of the use fees of the compulsory licensing in compliance with the provisions of the Patent Law, the Implementation Rules of the Patent Law and the Measures, the State Intellectual Property Office shall send the copy of the petition to the counterpart. The counterpart shall state their opinions within the time schedule specified. In case of no reply beyond the time schedule, the State Intellectual Property Office may make a decision as usual.

During the adjudication of the use fees of the compulsory licensing, the parties concerned may submit written opinions. The State Intellectual Property Office may listen to the oral

opinions of both parties as required by the actual circumstances of the case.

Article 23 The petitioner may withdraw its petitions for adjudication from time to time, and in case the petitioner withdraw its petitions for adjudication prior to the decision by the State Intellectual Property Office, the adjudication procedures terminates.

Article 24 The State Intellectual Property Office shall within three months upon receipt of the petition make a decision on adjudication of the use fees of the compulsory licensing.

Article 25 The decision on the adjudication of the use fees of the compulsory licensing shall indicate the following items:

(I)Name and address of the individual or unit obtaining the compulsory licensing for patent implementation;

(II)The name, patent number, date of application and date of authorized announcement of the invention patent or patent of utility models relating to the petitioned compulsory licensing;

(III)Reasons for the adjudication;

(IV)The stamp of the State Intellectual Property Office and the signature of the responsible persons;

(V)Date of decisions; and

(VI)Other relevant matters.

The decisions on adjudication of the use fees of the compulsory licensing should be timely notified to both parties.

Article 26 In case the patent right holder and the unit or individual obtaining the compulsory implementation licensing objects to the decision of the adjudication of the use fees of the compulsory licensing, lawsuit may be brought at the people's court in within three months upon the receipt of the notice.

Chapter IV Review and Decision on Terminating the Petition for Compulsory Licensing

Article 27 The compulsory licensing automatically terminates upon the expiry of the valid term of the compulsory licensing specified by the decision on granting the compulsory licensing.

When the compulsory licensing terminates automatically, announcement should be registered on the patent register and published on the patent gazette of the State

Intellectual Property Office, the government websites and China Intellectual Property News.

Article 28 In case the reasons for compulsory licensing are eliminated without reoccurrence prior to the expiry of the valid term of the compulsory licensing specified in the decision on granting the compulsory licensing, the patent right holders may request for the State Intellectual Property Office to make a decision on terminating the compulsory licensing.

In case of petitioning for terminating the compulsory licensing, an application should be submitted for terminating the compulsory licensing, indicating the following items:

- (I) Name and address of the patent right holders;
- (II) Nationality of the patent right holders or the country where its headquarters is located;
- (III) Document number that makes the decisions on the compulsory licensing requested to terminate;
- (IV) Reasons for petition of terminating the compulsory licensing;
- (V) When authorizing a patent agency, the patent right holder shall indicate the relevant items; and in case there is no authorized patent agency, name, address, postcode and contact telephone of the contact person should be indicated;
- (VI) The signature or stamp of the patent right holder; and if there is an authorized agency, the stamp of the agency is required also;
- (VII) List of the attached documents;
- (VIII) Other items required to state.

The patent right holder shall submit the petition application and attached documents in two copies.

Article 29 In any of the following cases relating to the petitions for terminating the compulsory licensing, the State Intellectual Property Office may not accept the petitions, with notification sent to the petitioner:

- (I) The petitioner is not the right holders of the invention patent or the patent of utility model requested under the compulsory licensing;
- (II) The document number is not clear for the decision on granting the compulsory licensing requested to terminate are not clear or not published;
- (III) The petitioning documents without Chinese version;

(IV) Obviously no reason available for terminating the compulsory licensing.

Article 30 In case the petitioning documents do not meet the provisions of Articles 28 of the Measures, the petitioner shall within 15 days upon receipt of the notice make up for the documents. In case of failure to making up for the documents required, the petition will be deemed as no submission.

Article 31 In terms of the petitions for terminating the compulsory licensing in compliance with the provisions of the Measures, the State Intellectual Property Office shall send the copy of the petition to the unit or individual that obtains the compulsory implementation licensing. The unit or individual that obtains the compulsory implementation licensing shall state their opinions within the time schedule specified. In case of no reply beyond the time schedule, the State Intellectual Property Office may make a decision as usual.

Article 32 The State Intellectual Property Office shall review the reasons stated by the patent right holder and the relevant certification documents. In case of field verification required, the State Intellectual Property Office shall assign no less than two persons to carry out the field verification.

In case the reasons stated by the patent right holder and the relevant certification documents are insufficient or false, the State Intellectual Property Office may prior to making decision send notification to the patent right holder for providing the latter with an opportunity for statement of its opinions.

Article 33 When holding that the reasons for petition of terminating the compulsory licensing do not hold water through review, the State Intellectual Property Office shall make a decision on rejecting the petition of terminating the compulsory licensing.

If objecting to the decision on rejecting to the petition of terminating the compulsory licensing, the patent right holder may institute a lawsuit with the people's court within three months upon receipt of the notice.

Article 34 The patent right holder may withdraw its petitions for terminating the compulsory licensing from time to time, and in case the patent right holder withdraws its petitions prior to the decision by the State Intellectual Property Office, the relevant procedures terminates.

Article 35 In case of no reason for refusal to the petition of terminating the compulsory licensing through review, the State Intellectual Property Office shall make a decision on terminating the compulsory licensing, with the following items stated:

(I) Name and address of the patent right holder;

(II) Name and address of the individual or unit obtaining the compulsory licensing for

patent implementation;

(III)The name, patent number, date of application and date of authorized announcement of the invention patent or patent of utility models relating to the petitioned compulsory licensing;

(IV)Document number of deciding the grant of the compulsory licensing;

(V)Facts and legal basis for the decisions;

(VII)The stamp of the State Intellectual Property Office and the signature of the responsible persons;

(VIII)Date of decisions; and

(IX)Other relevant matters.

The decision on the petition of terminating the compulsory licensing should be timely notified to the patent right holders and the unit or individual obtaining the compulsory implementation licensing.

Article 36 In case the unit or individual obtaining the compulsory implementation licensing objects to the decision on terminating the compulsory licensing, lawsuit may be brought forth at the people's court in within three months upon receipt of the notice.

Article 37 The decision that has come into force on terminating the compulsory licensing should be registered on the patent register and published on the patent gazette of the State Intellectual Property Office, the government websites and China Intellectual Property News.

Chapter V Supplementary Provisions

Article 38 The interpretation of the Measures is vested with the State Intellectual Property Office.

Article 39 The Measures shall come into force as of July15, 2003.

(Source: China International Electronic Commerce Network)