

PATENT APPLICATION AND EXAMINATION

In 2008, patent applications maintained steady and relatively fast growth. Structure of domestic patent applications and grants was evidently optimized. Patent examination capacity was gradually enhanced.

1 Patent Application and Granting

(1) Patent Application

In 2008, SIPO received 828,328 patent applications, up 19.4% over the previous year; 717,144 of which were domestic, representing 86.6% of the total and up 22.3% over the previous year; 111,184 of which were from abroad, representing 13.4% of the total and up 3.5% over the previous year.

In 2008, patent applications maintained steady and relatively fast growth, up 19.4%. Growth of domestic invention applications reached 27.1%, a major contributor to the overall increase. Domestic inventions accounted for 27.1% of all domestic applications, up 1% over the previous year. Domestic service applications, accounting for 50.8% of the total, overtook non-service ones for

Table 1 Three Kinds of Domestic and Foreign Patent Applications According to Service and Non-Service in 2008

Kinds of Patents		Total			Domestic			Abroad		
		Total	Service	Non-Service	Sub-total	Service	Non-Service	Sub-total	Service	Non-Service
Accumulated Total	Number of Application %	4853506 100.0%	2465583 50.8%	2387923 49.2%	4028393 100.0%	1672770 41.5%	2355623 58.5%	825113 100.0%	792813 96.1%	32300 3.9%
This Year	Total	828328 100.0%	472320 57.0%	356008 43.0%	717144 100.0%	364386 50.8%	352758 49.2%	111184 100.0%	107934 97.1%	3250 2.9%
	Invention	289838 100.0%	233279 80.5%	56559 19.5%	194579 100.0%	140452 72.2%	54127 27.8%	95259 100.0%	92827 97.4%	2432 2.6%
	Utility Model	225586 100.0%	108440 48.1%	117146 51.9%	223945 100.0%	107109 47.8%	116836 52.2%	1641 100.0%	1331 81.1%	310 18.9%
	Design	312904 100.0%	130601 41.7%	182303 58.3%	298620 100.0%	116825 39.1%	181795 60.9%	14284 100.0%	13776 96.4%	508 3.6%

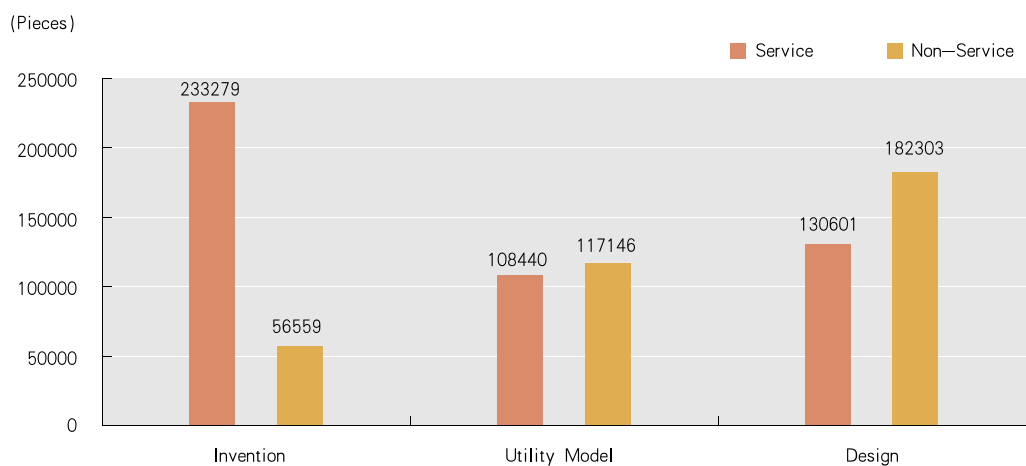
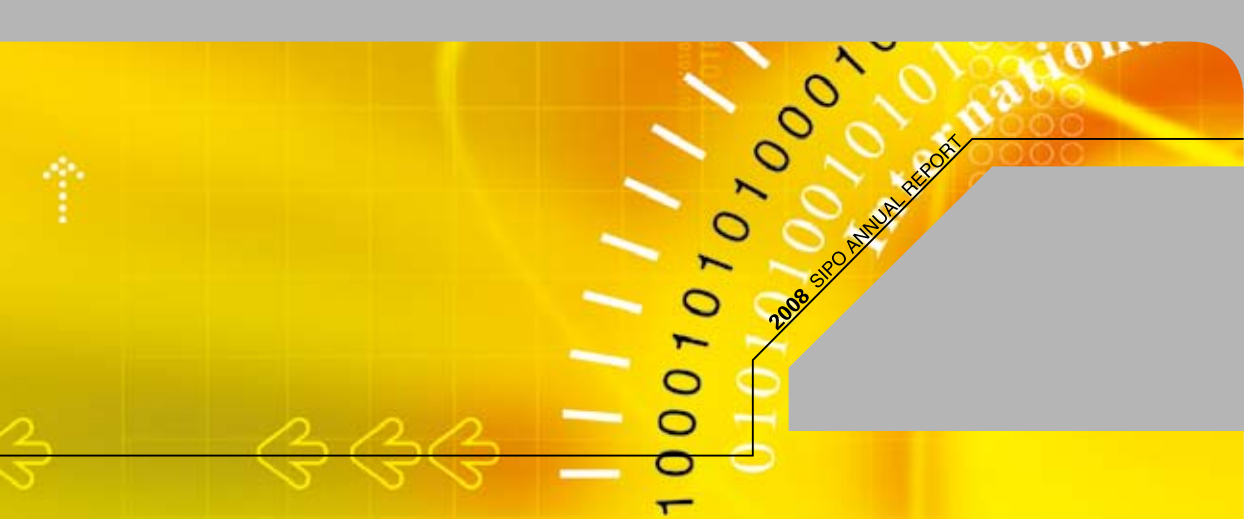


Figure 1 Statistics of Domestic and Foreign Applications for Three Kinds of Patents According to Service and Non-Service in 2008

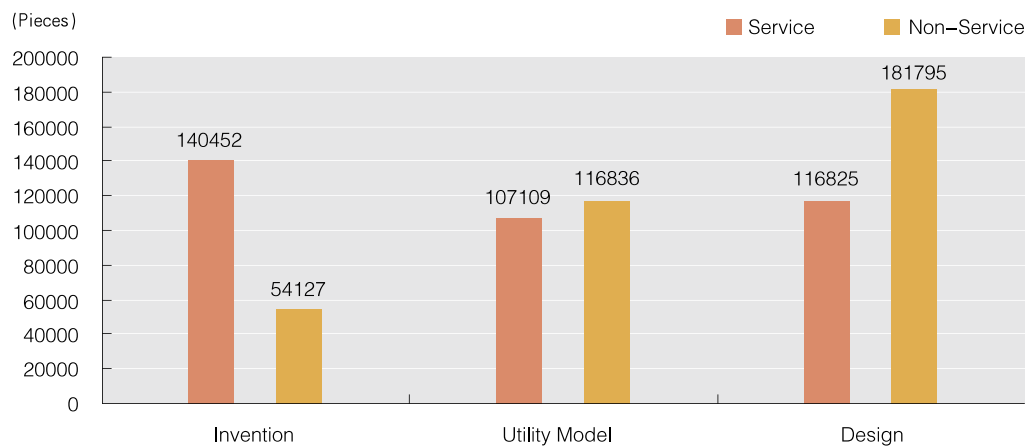


Figure 2 Statistics of Domestic Applications for Three Kinds of Patents According to Service and Non-Service in 2008

Table 2 Distribution of Domestic Applications for Three Kinds of Patents According to Service and Non-Service in 2008

Total	Non-Service	Service				
		Sub-total(A)	Colleges and Universities(B)	Scientific Research Institutions(B)	Enterprises(B)	Organizations(B)
717144	352758	364386 (B/A)	45145 12.4%	18612 5.1%	295510 81.1%	5119 1.4%

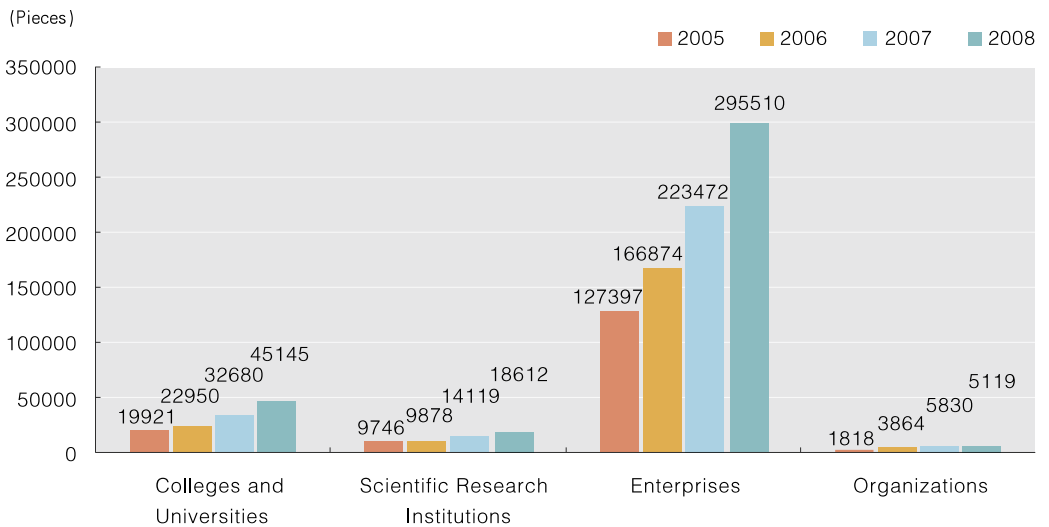


Figure 3 Growth of Domestic Applications for Service, 2005–2008

Table 3 Top Ten Domestic Colleges and Universities According to Their Invention Applications in 2008

NO.	Name	Number
1	Zhejiang University	1641
2	Tsinghua University	1229
3	Shanghai Jiao Tong University	1061
4	Harbin Institute of Technology	821
5	Beihang University	799
6	Donghua University	647
7	Southeast University	528
8	Tianjin University	522
9	Shanghai University	484
10	South China University of Technology	473

Table 4 Top Ten Domestic Scientific Research Institutions According to Their Invention Applications in 2008

NO.	Name	Number
1	Beijing Guanwuzhou Biological Science Institute	874
2	Industrial Technology Research Institute	525
3	Dalian Institute of Chemical Physics CAS	226
4	Institute of Computing Technology CAS	207
5	Changchun Institute of Applied Chemistry CAS	184
6	Beijing General Research Institute for Nonferrous Metals	182
7	Institute of Micro-electronics CAS	176
8	Chemistry Institute CAS	165
9	Institute of Metal Research CAS	161
10	Institute of Semiconductors CAS	157

Table 5 Top Ten Domestic Enterprises According to Their Invention Applications in 2008

NO.	Name	Number
1	Huawei Technologies	4228
2	ZTE Corp.	3954
3	Hongfujin Precision Industrial(Shenzhen) Co.,Ltd	2015
4	Inventec Enterprise System Corp.	831
5	Shenzhen Futaihong Precision Industrial Co.,Ltd	718
6	Huawei Technologies(Shenzhen)	698
7	China Petroleum & Chemical Corporation	697
8	BYD Co.,Ltd	626
9	Datang Mobile Communications Equipment Co.,Ltd	610
10	AU Optronics Corp.	588

Table 6 Top Ten Foreign Enterprises According to Their Invention Applications in 2008

NO.	Country	Name	Number
1	the Republic of Korea	Samsung Eletronics Co.,Ltd	2404
2	Japan	Panasonic corporation	1937
3	the Netherlands	Koninklijke Philips Electronics N.V.	1569
4	Japan	Sony Corporation	1537
5	the United States	International Business Machines Corporation	1112
6	Japan	Toshiba Corporation	1041
7	the Republic of Korea	LG Eletronics Corporation	994
8	Japan	Toyota Motor Corporation	978
9	the United States	Global Operation of General Motors	959
10	the United States	Qualcomm Inc.	948

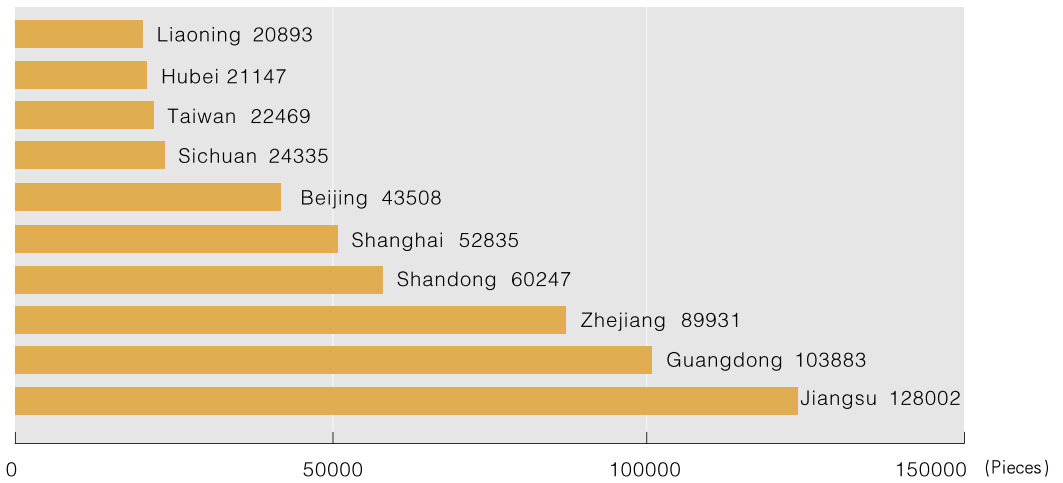


Figure 4 The Top Ten Provinces and Cities of Domestic Applications in 2008

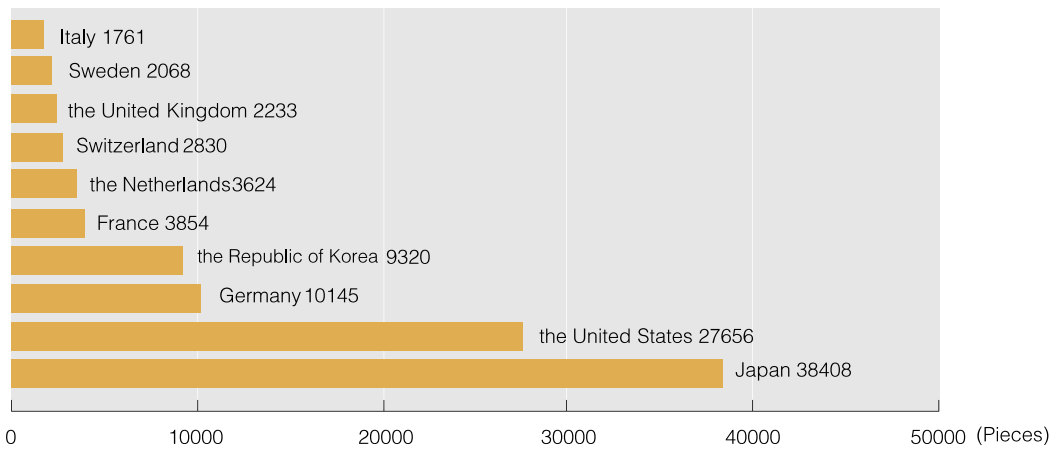


Figure 5 The Top Ten Countries of Foreign Applications in 2008

the first time.

As of December 31, 2008, China received an accumulative total of 4,853,506 patent applications, 4,028,393 of which were from home, representing 83.0%; 825,113 of which were from abroad, representing 17.0%; 1,623,248 of which were inventions, representing 33.4%; 1,695,751 of which were utility models, representing 34.9%; 1,534,507 of which were designs, representing 31.7%.

(2) Distribution of Patent Applications by Country

As of December 31, 2008, there were totally 146 countries and regions filling patent applications in China. In the year of 2008, China received patent applications from 95 countries and regions, among which Anguilla, Paraguay, Bolivia, Burundi and Mongolia filed patent applications in China for the first time. The top 10 countries and regions in terms of application volume in 2008 were respectively Japan, the United States, Germany, the Republic of Korea, France, the Netherlands, Switzerland, the United Kingdom, Sweden and Italy.

(3) Distribution of Patent Applications by Technical Field

In 2008, SIPO completed international patent classification of 550,841 applications for inventions and utility models , up 129,465 or 30.7%.

The invention applications in 2008 could be summarized as follows according to their IPC: domestic filings in the field of preparations for medical use, dentist use and cosmetic use (A61K) maintained a high-speed growth, representing more than 80% of the total of this sub-class. Domestic applications in electric digital data processing (G06F) increased by 33.2%, moving from No.4 to No.3 in all IPC classes, and accounting for 62.2% of the total applications in this sub-class. Semi-conductor devices (H01L) was still the most prolific sub-class for foreign applications, with domestic ones only taking 40%.

(4) Patent Granting

In 2008, SIPO granted 411,982 patents, up 17.1% over the previous year, among which 93,706 patents for invention were granted, representing a sharp increase of 37.9%. 352,406 patents were granted to domestic applicants, representing 85.5% of the total and up 16.8%, while 59,576 patents were granted to foreign applicants, representing 14.5% of the total and up 18.8%. Among the patents granted to domestic applicants, 46,590 were for invention, representing 13.2% of the total and up 45.8%; 175,169 were for utility model, representing 49.7% of the total and up 18.0%; 130,647 were for design,

Table 7 Applications for Patents for Inventions and Utility Models Classified According to IPC in 2008

	A-H Total	A	B	C	D	E	F	G	H
Accumulated Total	3287291 100.0%	691632 21.0%	604974 18.4%	328400 10.0%	65387 2.0%	199941 6.1%	410630 12.5%	463377 14.1%	522950 15.9%
This year	550841 100.0%	101533 18.4%	101019 18.3%	58911 10.7%	9693 1.8%	30768 5.6%	69709 12.7%	79782 14.5%	99426 18.0%
Inventions	286785 100.0%	44203 15.4%	38050 13.3%	50847 17.7%	5137 1.8%	9112 3.2%	22619 7.9%	51165 17.8%	65652 22.9%
Utility models	264056 100.0%	57330 21.7%	62969 23.8%	8064 3.1%	4556 1.7%	21656 8.2%	47090 17.8%	28617 10.8%	33774 12.8%

Table 8 Top Ten IPC Sub–Classes of Applications for Invention in 2008

Inventions	Sub-classes	Number	Domestic	Sub-classes	Number	Abroad	Sub-classes	Number
1	A61K	18979	1	A61K	15845	1	H01L	5081
2	H04L	12864	2	H04L	9384	2	G06F	4387
3	G06F	11614	3	G06F	7227	3	H04L	3480
4	H01L	8611	4	H04Q	5647	4	H04N	3141
5	H04Q	7226	5	G01N	4273	5	A61K	3134
6	H04N	6620	6	A23L	4131	6	C07D	2219
7	G01N	5672	7	H01L	3530	7	A61B	1683
8	A23L	4445	8	H04N	3479	8	H01M	1616
9	C07D	4385	9	C02F	2698	9	H04Q	1579
10	C07C	3744	10	C07C	2629	10	G02B	1503

Table 9 Top Ten IPC Sub–Classes of Applications for Utility Models in 2008

Utility Models	Sub–Classes	Number	Domestic	Sub–Classes	Number
1	B65D	4745	1	B65D	4692
2	A47G	4675	2	A47G	4635
3	H01R	4602	3	H01R	4516
4	A47J	3864	4	A47J	3841
5	A61B	3653	5	F21V	3625
6	F21V	3647	6	A61B	3619
7	B01D	3625	7	B01D	3605
8	F16K	3370	8	F16K	3353
9	A61M	3118	9	A61M	3102
10	F21S	3068	10	F21S	3054

Table 10 Three Kinds of Domestic and Foreign Patents Granted According to Service and Non–Service in 2008

Kinds of Patents		Total			Domestic			Abroad		
		Sub-total	Service	Non-Service	Sub-total	Service	Non-Service	Sub-total	Service	Non-Service
Accumulated Total	Number of Granted %	2501268 100.0%	1225816 49.0%	1275452 51.0%	2142785 100/85.7	881446 41.1%	1261339 58.9%	358483 100/14.3	344370 96.1%	14113 3.9%
This Year	Total	411982 100.0%	227133 55.1%	184849 44.9%	352406 100/85.5	169244 48.0%	183162 52.0%	59576 100/14.5	57889 97.2%	1687 2.8%
	Invention	93706 100.0%	83067 88.6%	10639 11.4%	46590 100/49.7	36955 79.3%	9635 20.7%	47116 100/50.3	46112 97.9%	1004 2.1%
	Utility Model	176675 100.0%	84093 47.6%	92582 52.4%	175169 100/99.1	82914 47.3%	92255 52.7%	1506 100/0.9	1179 78.3%	327 21.7%
	Design	141601 100.0%	59973 42.4%	81628 57.6%	130647 100/92.3	49375 37.8%	81272 62.2%	10954 100/7.7	10598 96.8%	356 3.2%

representing 37.1% of the total and up 7.7%.

In 2008, invention patents granted to domestic applicants accounted for 49.7% of the total, further narrowing the gap with foreign grants.

As of December 31, 2008, SIPO had granted an accumulative total number of 2,501,268 patents, 2,142,785 of which were to domestic applicants and 358,483 to foreign applicants, representing 85.7% and 14.3% of the total respectively. Numbers for invention, utility model and design were 458,157, 1,164,939 and 878,172 respectively, accounting for 18.3%, 46.6% and 35.1% of the total.

2 Patent Examination

In 2008, patent examination capacity was further enhanced. With an increase of the number of patent examiners and constant optimization of the structure and quality of examining staff, the amount of concluded examination of patent applications kept growing, and the examination duration went stabilized.

In 2008, SIPO recruited 297 formality and flow management officers, substantive examiners and examiners for re-examination and invalidation, amounting the total number of registered examiners to 2,932. Among the recruits, 6% of them had a doctor degree, the highest proportion in recent years, while 77% were with a master degree and only 18% with a bachelor degree. For those substantive examination departments which have higher technical requirements, 78% examiners have a master or even a higher degree.

With adjustment of numbers of new examiners in various examination fields, average pending cases per head and average duration were more balanced and stabilized. In 2008, new recruits evenly spread in various examination fields.

In 2008, SIPO sent out 187,535 first official actions for invention patent applications, up 28.4%, and concluded 146,785 examination cases, up a notable 46.4% over the previous year. 204,741 utility model examination cases were concluded, up 9.4%. 215,993 design examination cases were concluded, up 15.2%.

Duration for substantive examination of invention patent applications kept almost the same as that of the previous year at 25.8 months; utility model 6.1 months, a decrease of 0.7 month; design 9.5 months, an increase of 2.9 months.

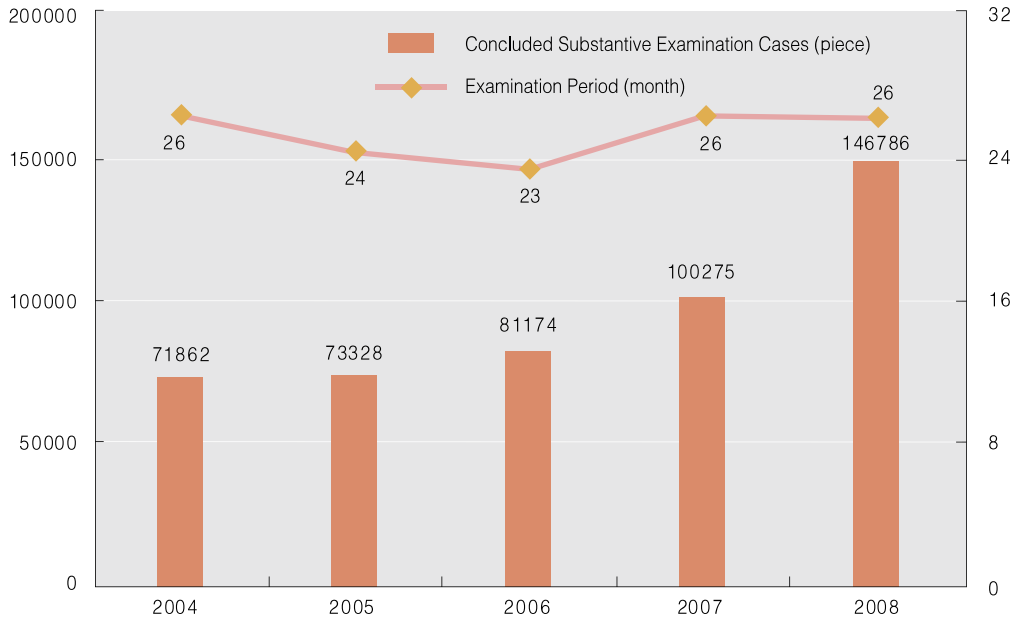


Figure 6 Trend of Volume of Concluded Substantive Examination Cases and Examination Period Changes from 2004 to 2008

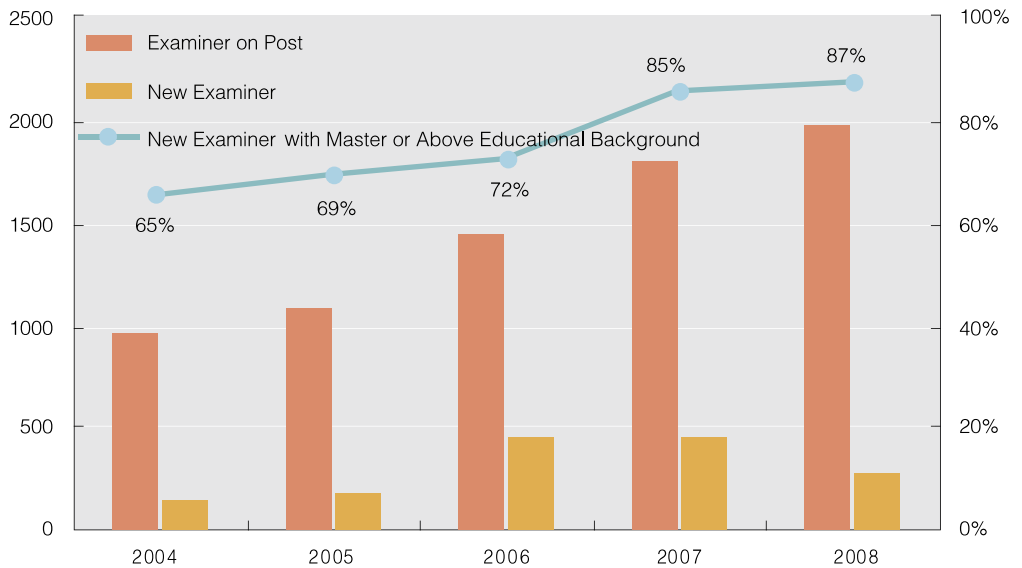


Figure 7 Trend of Number of Substantive Examiners and Education Level Changes from 2004 to 2008

3 PCT Applications

As a Receiving Office of the Patent Cooperation Treaty (PCT), SIPO received 6,081 PCT applications in 2008, up 12.6%. Among those received applications, 5,475 were filed in Chinese while 606 in English. Since 1994, SIPO has received an accumulated total of 24,881 international applications.

Since May 1, 2007, SIPO had started taking PCT-SAFE fully electronic mode applications. In 2008, 67% of all applications were e-filed.

As an International Searching Authority, SIPO had established an accumulated total of 22,576 international search reports since 1994, of which 6,092 were established in 2008, up 26.1%.

As an International Preliminary Examining Authority, SIPO established 419 international preliminary examination reports in 2008, up 15.1%. SIPO has established an accumulated total of 4,736 international preliminary examination reports since 1994.

In 2008, SIPO received 57,561 international applications entering into China's national phase, up 7.2%, 57,433 of which were for invention patent and 128

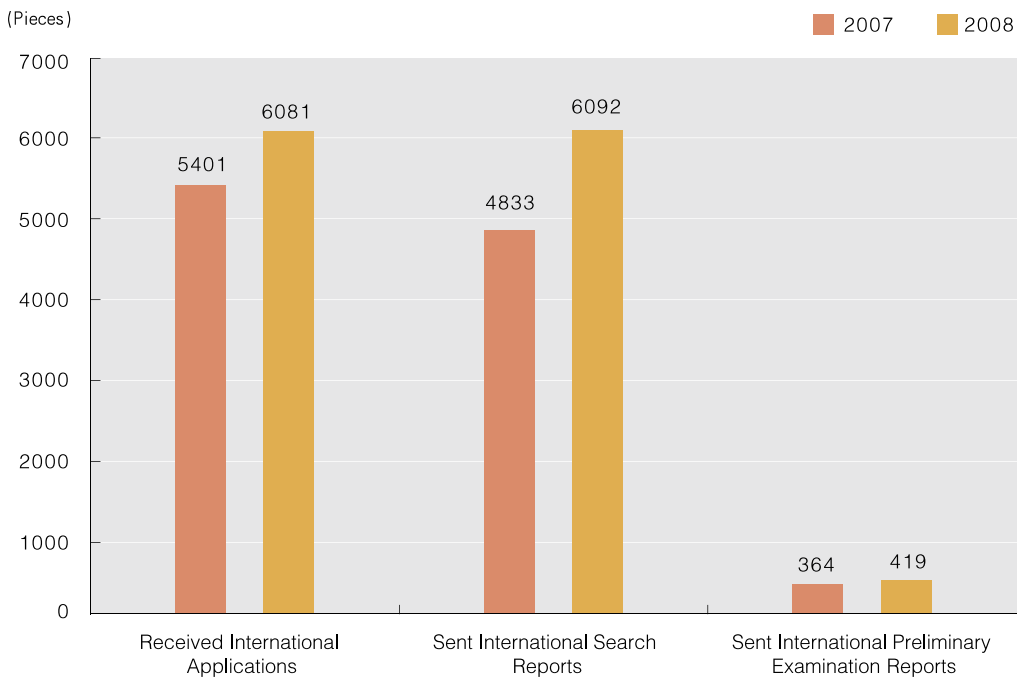


Figure 8 Volume of PCT International Applications, International Search Reports, International Preliminary Examination Reports (2007–2008)

for utility model. Since 1994, SIPO had received an accumulated total of 358,498 international applications entering into China's national phase.

4 Registration of Applications for Layout Designs of Integrated Circuits

In 2008, SIPO received 743 applications for registration of layout designs of integrated circuits, and 738 registrations were published and certificates issued. Since implementation of the Regulation on Protection of Layout Designs of Integrated Circuits on October 1, 2001, SIPO had received a total of 2,551 applications for registration, and 1,564 registrations were published and certificates issued.

5 Re-Examination and Invalidation

(1) Requests for Re-Examination Received and Cases Resolved

In 2008, 4,360 requests for re-examination were received, up 1,795 or 70%. Of all the above requests received, 4,260 cases were related to requests for re-examination of decisions on rejection of invention patent applications, accounting for 97.7% of the total. 89 cases were related to requests for re-examination of decisions on rejection of utility model applications, accounting for 2% of the total. 11 cases were related to requests for re-examination of decisions on rejection of design applications, accounting for 0.3% of the total.

In 2008, altogether 3,687 re-examination cases were resolved, 3,812 of which related to invention, 40 to utility model and 15 to design.

Since 1985, the Patent Re-Examination Board had received a total of 22,393 requests for re-examination and 18,412 re-examination cases had been resolved by 31 December, 2008.

(2) Requests for Invalidation Received and Cases Resolved

In 2008, 2,038 requests for invalidation were received, down 145 or 6.6% over the year 2007. Among these requests received, 355 cases were related to requests for invalidation of invention patent, accounting for 17.4% of the total; 988 were related to requests for invalidation of utility model, accounting for 48.5% of the total; and 695 were related to design, making up 34.1% of the total.

In 2008, a total of 2,727 cases requesting for invalidation were resolved, 424

of which related to invention, 1,381 to utility model and 922 to design.

Since 1985, the Patent Re-Examination Board had received a total of 21,087 requests for invalidation. By the end of 2008, 19,408 requests for invalidation had been resolved.

(3) Patent Administrative Litigation

In 2008, 844 cases were brought with the Beijing No.1 Intermediate People's Court or appealed to the Beijing High People's Court, of which 86 cases were against the re-examination decisions, 757 were against the decisions on requests for invalidation of patent rights, and 1 was against others decisions.

In 2008, the Beijing No.1 Intermediate People's Court concluded 441 cases against the re-examination and invalidation decisions by the Patent Re-Examination Board, 48 of which related to re-examination, 390 to invalidation, and 3 to others.

In 2008, the Beijing High People's Court concluded 288 cases against the re-examination and invalidation decisions by the Patent Re-Examination Board, 18 of which related to re-examination and 270 to invalidation.

In 2008, the Supreme People's Court of the People's Republic of China granted 3 writs of certiorari regarding re-examination and invalidation decisions by the Patent Re-Examination Board.