Study on Non-Prejudicial Disclosure

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"An invention-creation for which a patent is applied for" is usually determined as lacking novelty if it is disclosed prior to the filing date of the patent. If, however, a prior disclosure is a non-prejudicial disclosure under Article 24 of the Patent Law, the application may not lose its novelty. It is provided in the current examination practice that an applicant should make a declaration during patent application if his or its "invention-creation for which a patent is applied for" falls within the circumstances where novelty is retained under the laws. As for a granted patent right or a patent right under the invalidation examination, the laws, the regulations, and the Guidelines for Patent Examination all fail to expressly provide as to how a patentee can prove a prior disclosure, which falls within the circumstance where novelty is retained, does not destroy novelty of his or its patent. The patent examination practice is also rather confusing in this regard. This paper will be distinguishing different non-prejudicial disclosures, and arguing that patentees can claim non-prejudicial disclosures during invalidation proceedings and the relevant judicial reviews.

Prior disclosure not destructive to the novelty of a patent, i.e., a non-prejudicial disclosure, means that an invention-creation for which a patent is applied for, though disclosed prior to the filing date, does not lose its novelty under the law. If the same invention-creation was disclosed prior to the filing date of a patent application, the invention-creation is usually determined as lacking novelty. The same invention-creation, however, is disclosed prior to the filing date of a patent application possibly for various reasons. If all prior disclosures are deemed to be destructive to novelty, it would inhibit disclosure of the invention-creation at an earliest possible date and seem to be over-stringent to inventors. In this regard, the Patent Law also specially provides for non-prejudicial disclosures, that is to say, while an invention-creation for which a patent is applied for is disclosed prior to the filing date, the disclosure does not destroy the novelty of the patent. Article 24 of the Chinese Patent Law provides, "an invention-creation for which a patent is applied for does not lose its novelty where, within six months before the date of filing, one of the following events occurred: (1) where it was first exhibited at an international exhibition sponsored or recognized by the Chinese Government; (2) where it was first made public at a prescribed academic or technological meeting; and (3) where it was disclosed by any person without the consent of the applicant." However, as to how the above provisions of Article 24 of the Patent Law, in particular "where it was disclosed by any person without the consent of the applicant", are applicable during the proceedings for the examination of request for patent invalidation and the relevant judicial procedure, the laws, the regulations, and Guidelines for Patent Examination all do not set forth express and effective provisions.

I. Substantive elements of non-prejudicial disclosures

By the substantive elements of non-prejudicial disclosures are meant those that should be met if a prior disclosure of the same invention-creation does not render the later filed "invention-creation" void of novelty, i.e., the conditions that the earlier disclosed invention-creation should meet in order not to ruin the novelty of the later filed patent application for the same invention-creation.

First, a non-prejudicial disclosure refers to a disclosure of an invention-creation identical with "an invention-creation for which a patent is applied for". If the earlier disclosed invention-creation is not identical with "an invention-creation for which a patent is applied for" at all, the prior disclosure would not be sufficient to ruin the novelty of the latter. Of course, an invention-creation's being identical with "an invention-creation for which a patent is applied for" means that the two are exactly identical, and basically or substantially

identical. The two, though different to some extent, are identical if those of ordinary skills in the art can, upon knowing about the earlier disclosed invention-creation, derive "an invention-creation for which a patent is applied for" on the basis of common knowledge in the art or by using customary means in the art without exercising inventive efforts.

Second, the non-prejudicial disclosure refers to a prior disclosure of "an invention-creation for which a patent is applied for". "An invention-creation for which a patent is applied for" refers to the one filed by a patent applicant and that is now under the examination. Thus, the prior disclosure of "an invention-creation for which a patent is applied for" refers to another party's act of making public an invention-creation for which a patent is applied for by the patent applicant, i.e., the invention-creation earlier disclosed by the other person originates from "the invention-creation" for which the applicant applies for patent.

Third, the non-prejudicial disclosure should be the first disclosure within six months from the filing date of a patent application. As long as "an invention-creation for which a patent is applied for" has been made public beyond six months from the filing date, or the disclosure date of "an invention-creation for which a patent is applied for" is earlier than the filing date of the patent application and extends beyond six months from the filing date, the prior disclosure cannot be called a non-prejudicial disclosure no matter how long the prior disclosure was disclosed beyond six months. If "an invention-creation for which a patent is applied for" was disclosed several times before the filing date, then each disclosure should be within the six months from the filing date of the patent application in order to constitute non-prejudicial disclosures. If "an invention-creation for which a patent is applied for" was once disclosed earlier not within six months from the filing date of the patent application, the prior disclosure is sufficient to ruin the novelty of the patent application.

Fourth, in view of disclosure manners, if an invention-creation was initiatively disclosed by a patent applicant, the prior disclosure thereof will not ruin the patent novelty if the invention-creation is first exhibited at an international exhibition sponsored or recognized by the Chinese Government or first made public at a prescribed academic or technological meeting. If the invention-creation was disclosed by the patentee passively, i.e., "the invention-creation" was "disclosed by any person without the consent of the applicant", the prior disclosure is likely to become a non-prejudicial disclosure however the other person discloses it. In addition, there is a view that the prior disclosure at an exhibition can only be first disclosure under Article 24 of the Chinese Patent Law. "Before amendments to the existing laws, disregarding the 'first' mentioned in Article 24 of the Patent Law is obviously inappropriate". [1] Thus, "display at an exhibition … must be first made public. If it is exhibited again within six months prior to the filing date, it does not comply with the provision and would not enjoy a novelty grace period, even if the exhibition is an international exhibition sponsored or recognized by the Chinese Government." [2] We think this view is not proper. If the first disclosure fails to render "an invention-creation for which a patent is applied for" void of novelty, later disclosures would not either as long as "an invention-creation for which a patent is applied for" was "exhibited at an international exhibition sponsored or recognized by the Chinese Government" within six months prior to the filing date of a patent application.

Finally, should time difference between time zones be taken into account when whether the prior disclosure constitutes a non-prejudicial disclosure is examined? That is, if the prior disclosure of an invention-creation was made within six months before the filing date of the later "invention-creation for which a patent is filed for" according to the Beijing time, but beyond six-month period according to the standard time of the actual place where the invention-creation was disclosed, is the prior disclosure sufficient to ruin the novelty of the later application? For us, Chinese standard time should be a benchmark for a patent applied for in China. When judging whether a patent application filed in China possesses novelty or not according to the Chinese Patent Law, the "six-month" period provision as a criterion for a non-prejudicial disclosure should be based on Chinese standard time. Even though the prior disclosure time extends beyond the "six-month" period according to the standard time of the place of actual disclosure, the prior disclosure would be called a non-prejudicial disclosure as long as it is within "six-month" period according to the Chinese standard time.

II. Procedural elements applicable to non-prejudicial disclosures

Procedural elements of non-prejudicial disclosures refer to the procedures that a patentee or patent applicant should follow when claiming that his or its later filed patent application does not loss its novelty due to the earlier disclosed identical invention-creation, such as to whom, how, when and by

what means he or it can assert himself or itself.

Firstly, if a patent applicant believes that the disclosure of "the invention-creation for which a patent is applied for" constitutes a non-prejudicial one, he or it should, in principle, make a clear claim to this effect during patent examination procedure. If the patent applicant fails to do so with clear knowledge that the disclosure of his or its patent application constitutes a non-prejudicial one, he or it may lose an opportunity to claim that "the invention-creation for which a patent is applied for" does not lose its novelty.

Secondly, where a patent applicant claims that the disclosure of his or its "invention-creation for which a patent is applied for" constitutes a non-prejudicial one, he or it should clarify his or its claim within a prescribed period of time. If "the invention-creation for which a patent is applied for" was first exhibited at an international exhibition sponsored or recognized by the Chinese Government or first made public at a prescribed academic or technological meeting, according to the provisions set forth in Sections 6.3.1 and 6.3.2, Chapter 1 of Part I of the Guidelines for Patent Examination, where the applicant requests a novelty grace period, he or it should make a declaration when filing the application. That is, the applicant should claim a non-prejudicial disclosure according to the above reasons on the filing date of the patent application. If "the invention-creation for which a patent is applied for" was disclosed by any person without the consent of the applicant, according to the provisions set forth in Section 6.3.3, Chapter 1 of Part I of the Guidelines for Patent Examination, the applicant, knowing about the matter prior to the filing date, should make a declaration when filing the application; if the applicant knows about the matter subsequent to the filing date, he or it should make a declaration for a novelty grace period within two months after knowing about the matter.

Thirdly, a patent applicant, claiming that "an invention-creation for which a patent is applied for" does not lose its novelty, should make a declaration to this effect in a prescribed manner. According to the provisions set forth in Section 6.3, Chapter 1 of Part I of the Guidelines for Patent Examination, an applicant, claiming that "an invention-creation for which a patent is applied for" does not lose its novelty, should make a declaration in a written Request. If the applicant knows that "the invention-creation for which a patent is applied for" was disclosed by any person without his or its consent after the filing date, though the Guidelines for Patent Examination only provides that the applicant should "submit a declaration for a novelty grace period within two months after knowing about the matter" without specifying the specific form of the declaration, the applicant should also submit a written declaration according to the examination practice and the context of the above provision of the Guidelines for Patent Examination.

Finally, a patent applicant, if claiming that "the invention-creation for which a patent is applied for" does not lose its novelty, should bear the burden of proof of his or its claim. Rule 31, paragraph three, of the Implementing Regulations of the Chinese Patent Law provides that "where any invention-creation for which a patent is applied for falls under the provisions of Article 24, paragraph three, of the Patent Law, the Patent Administration Department under the State Council may, when it deems necessary, require the applicant to submit the relevant certifying documents within the specified time limit." As this law provision shows, the applicant or patentee should submit the relevant certifying documents within the specified time limit at the request of the Patent Administration Department under the State Council if he or it knows that his or its application or patent has a non-prejudicial disclosure under the provisions of Article 24, paragraph three, of the Patent Law. According to the provisions of Section 6.3, Chapter 1 of Part I of the Guidelines for Patent Examination, the applicant should file certifying materials within two months from the filing date if he or it claims on the filing date that the disclosure of his or its "invention-creation for which a patent is applied for" constitutes a non-prejudicial disclosure. If the applicant knows after the filing date that "the invention-creation for which a patent is applied for" was disclosed by any person without his or its consent within six months before the filing date, he or it should also submit certifying materials within two months from his or its knowledge of the matter.

III. Application of provisions concerning non-prejudicial disclosures mentioned in Guidelines for Patent Examination during examination for patent grant

Though Article 24 of the Chinese Patent Law provides that a patent applicant should claim a non-prejudicial disclosure, the Patent Law and the Implementing Regulations of the Patent Law do not expressly specify how the applicant should do it during patent application. Part I of the Guide-

lines for Patent Examination, though specifying how, is yet to be further improved in terms of application thereof.

First of all, the provisions mentioned in Part I of the Guidelines for Patent Examination are related to how an applicant claims that disclosure of his or its "invention-creation for which a patent is applied for" constitutes a non-prejudicial disclosure during examination for patent grant. Nowhere do the Patent Law, the Implementing Regulations of the Patent Law and the Guidelines for Patent Examination stipulate how a party concerned claims a non-prejudicial disclosure during the invalidation proceedings. Though it is expressly specified in Section 3, Chapter Six of Part IV of the Guidelines for Patent Examination that Chapter 3 of Part II should apply to relevant aspects of examination of novelty for a utility model, including the concept of novelty, principles for examination of novelty, examination criteria, and novelty grace period, there are no words about application of the provisions in Part I of the Guidelines for Patent Examination. However, the procedures for an applicant to follow for claiming "a novelty grace period" are just stipulated in Part I of the Guidelines for Patent Examination. The provisions mentioned in Chapter Three of Part II of the Guidelines for Patent Examination are directed to the substantive examination of a patent application for invention. As to the circumstances where "an invention-creation for which a patent is applied for" was first exhibited at an international exhibition sponsored or recognized by the Chinese Government or first made public at a prescribed academic or technological meeting, the current provisions in the Guidelines for Patent Examination are seemingly not improper. As to the circumstance where "an invention-creation for which a patent is applied for" was disclosed by any other person without the consent of the applicant and the applicant has no idea of the unauthorized disclosure of "the invention-creation" by any other person, the provisions regarding non-prejudicial disclosure in Part I of the Guidelines for Patent Examination are not applicable during the invalidation proceedings.

Next, it is basically appropriate if provisions regarding non-prejudicial disclosures mentioned in Part I of the Guidelines for Patent Examination are applicable when a patent applicant takes initiatives in publishing his or its own invention-creation at an earlier time. As for the circumstance for non-prejudicial disclosures to which Article 24, paragraph three, of the Patent Law applies, i.e., "an invention-creation for which a patent is applied for" was disclosed by any other person without the consent of the applicant within six months before the filing date, the Guidelines for Patent Examination provides that it is also basically appropriate to require the applicant to make a declaration for a novelty grace period within two months after he or it knows or is expected to know about the matter, and it seems proper to specify that the applicant should submit relevant evidence within two months. Especially if the two-month term is understood as extendable and can be extended at the request of the patentee, it would enhance the applicability of the provision. However, it was once believed in the judicial practice that the two-month time limit should be construed as a scheduled term, and submission of documents, including the Request filed by the applicant for applying for a non-prejudicial disclosure and submitted evidence, after the expiry of two-month period, should be deemed as a failure.[3] This practice is improper and legally groundless because, under some circumstances, the two-month time limit for adducing evidence is usually not enough for the applicant or patentee to prove that "the invention-creation for which a patent is applied for" was disclosed by any other person without the consent of the applicant within six months before the filing date, and the applicant should be allowed to apply for extension of said time limit. Any dedication to the enhancement of administrative efficiency while disregarding collection and acceptance of necessary evidence and examination of a party's legitimate claims are likely to knock participation of a party concerned and examination capability out of balance. For this reason, it is all natural to accept new evidence in the later judicial review to do justice in particular cases.

Then, an examiner is obliged to inform a patentee or applicant of how to claim a non-prejudicial disclosure. The Guidelines for Patent Examination is not a set of law provisions, but only a normative document of the State Intellectual Property Office for examination of patent or patent application, so the relevant provisions regarding patent applicants' claiming for a novelty grace period as mentioned in Section 6.3.3, Chapter 1 of Part I of the Guidelines for Patent Examination do not have direct legal effects on patent applicants. Examiners, when examining patents or patent applications, should, according to the above provisions of the Guidelines for Patent Examination, inform a party concerned of how to claim a novelty grace period, including notifying him or it that he or it should request a novelty grace period and submit relevant evidence within two months after he or it knows or is expected to know that the disclosure of his or its patent application is non-prejudicial, and at least guide the applicant to

claim the novelty grace period according to the above provisions of the Guidelines for Patent Examination. If an examiner fails to fulfil his obligation to notify a patent applicant or patentee of how to claim a novelty grace period, the patent applicant or patentee is not legally obliged to inform the examiner even if the patent applicant or patentee knows that "an invention for which a patent is applied for" was disclosed by any other person without his or its consent, and it is undue to declare valid the granted patent right because the patentee fails to notify the examiner, at the time of filing the patent application, that "an invention for which a patent is applied for" was disclosed by any other person without his or its consent, as required by the provisions of the Guidelines for Patent Examination.

Finally, an earlier non-prejudicial disclosure still pertains to the prior art or prior design. Under Articles 22 and 23 of the Patent Law, the prior art or prior design refers to a technology or design that was known to the general public at home and aboard before the filing date, and an invention-creation for which a patent is applied for should not be part of the prior art or prior design. A technology or design that has been known to the general public at home and aboard before the filing date is part of the prior art or prior design, so an earlier disclosed technology or design constitutes part of the prior art or prior design irrespective of whether it ruins the novelty of a later filed patent application. Even if some prior art or prior design is identical with the later filed patent application, the prior art or prior design would not be used to destroy the novelty of the later filed application. That is, not all the prior art or prior design would possibly destroy the novelty of the later filed patent application. Of course, if the prior art or prior design would not be used to spoil the novelty of the later filed patent application, it naturally would not be used to spoil the inventive step thereof.

IV. Application of provisions regarding that another party's disclosure of contents of patent application without consent of applicant would not destroy novelty grace period in invalidation proceedings

As the provisions in the Guidelines for Patent Examination show, the provisions in Part I relating to how an applicant claims that the disclosure of "an invention-creation for which a patent is applied for" does not destroy its novelty only apply to the examination procedures for patent grant, rather than the invalidation proceedings. If "an invention-creation for which a patent is applied for" was disclosed by any other person without the consent of the applicant within six months before the filing date, and the applicant does not know about it during the patent application that the relevant "invention-creation for which a patent is applied for" was disclosed by any other person without his or its authorisation, the existing patent laws and regulations, and the Guidelines for Patent Examination do not provide for how the patentee can claim during the invalidation proceedings that the disclosure of his patent is a non-prejudicial disclosure under Article 24 of the Patent Law after a request is filed for invalidation of the granted patent. It is our view that such matter can be treated differently.

First of all, if the patentee knows during the patent grant examination procedure that his or its invention-creation was disclosed by any other person without his or its consent as mentioned in Article 24 of the Patent Law, the matter may, in principle, be treated under the provisions in Section 6.3.3, Chapter 1 of Part I of the Guidelines for Patent Examination. That is to say, if the applicant knew that his or its invention-creation "was disclosed by any other person without his or its consent" prior to the filing date, he or it should make a declaration at the time of filing the patent application; if the applicant knows about the matter after the filing date, he or it should make a declaration requesting a novelty grace period within two months after his or its knowing about the matter. Of course, if the matter is treated under the provisions in Section 6.3.3, Chapter 1 of Part I of the Guidelines for Patent Examination, it is necessary to set forth explicit provisions in this regard in the Guidelines for Patent Examination.

Next, what can be done if a patentee knew that his or its invention-creation was disclosed by any other person without his or its consent as mentioned in Article 24 of the Patent Law during the period from patent granting to invalidation request? No expressly specified provisions are set forth in the Patent Law, the Implementing Regulations of the Patent Law, and the various editions of the Guidelines for Patent Examination. In principle, since there are no effective provisions and the patentee has obtained the patent right, the patentee is not obliged to prove that the granted patent right is not eligible for patent protection or should be declared invalid. Therefore, the patentee, having obtained the patent right, is

not obliged to claim a novelty grace period for the granted patent right. In absence of expressly specified law provisions, there is actually no way for the patentee to claim a novelty grace period for the granted patent right. For instance, the patentee does not know to whom he or it should claim a novelty grace period for his or its granted patent right.

Then, what can be done if the patentee knows that his or its invention-creation was disclosed by any other person without his or its consent as mentioned in Article 24 of the Patent Law during the invalidation proceedings? It is believed that though the existing laws, regulations and the Guidelines for Patent Examination set forth no relevant provisions, the patentee should be ensured to have an opportunity to claim a novelty grace period for his or its patent. For instance, relevant provisions may be expressly specified in the Guidelines for Patent Examination or other regulatory documents, and it is not proper to completely deprive a patentee of the right to claim a novelty grace period for his or its patent and to determine the patent as lacking novelty accordingly. If relevant provisions are set forth in the Guidelines for Patent Examination or any other regulatory documents, it is possible to appropriately refer to the provisions in Part I of the Guidelines for Patent Examination regarding how an applicant can claim a novelty grace period for "an invention-creation for which a patent is applied for". For instance, it may be provided that where a patentee knows that his or its invention-creation was disclosed by any other person without his or its consent as mentioned in Article 24 of the Patent Law during the invalidation proceedings, he or it should claim a novelty grace period and submit the relevant evidence within two months from the date when he knows or is expected to know the matter.

Further, what should be done if a patentee knows that the prior disclosure was the one disclosed by any person without the consent of the applicant under Article 24 of the Patent Law after the Patent Reexamination Board found that the patent in suit lacks novelty due to the prior disclosure before the filing date and accordingly made a decision to totally or partially invalidate the patent right? It is believed that the public's trust on the Decision on Invalidation or Judgment Document that has taken into effect should be worthy of protection. "Trust is an important pillar for people's interaction; hence, the Civil Law has a principle of good faith or a principle of damages for trust interest in a modern law-abiding society. The public law also has a principle of trust interest protection in order to protect vested interest of the general public. Such trust protection is applicable to change or alteration of specific administrative action and decree."[4] Thus, when a patentee knows that his or its invention-creation was "disclosed by any other person without his or its consent" as mentioned in Article 24 of the Patent Law, if the Decision on Invalidation issued by the Patent Reexamination Board has come into effect, the patentee should not seek remedy, for instance, request re-examination of the application or the Patent Reexamination Board to make another decision, on the grounds that his or its invention-creation was "disclosed by any other person without his or its consent" as mentioned in Article 24 of the Patent Law, which is aimed to maintain social order and the public's trust on the effective Decision on Invalidation.

Finally, what can be done if the Patent Reexamination Board found that a patent in suit lacks novelty due to the prior disclosure before the filing date and meanwhile decided to invalidate or partially invalidate the patent right, and the party concerned is dissatisfied with the Decision and lodged a lawsuit, and then the patentee knows that the prior disclosure was the one disclosed by any other person without his/its consent under Article 24 of the Patent Law? It is believed that if the lawsuit is not lodged by the patentee, for instance, the patentee did not lodge a lawsuit against the Patent Reexamination Board's decision on partially invalidating the patent right, and the petitioner, however, was dissatisfied with the decision made by the Patent Reexamination Board, for example, arguing that the patent right should be wholly invalidated, and therefore filed a lawsuit to request to revoke the Patent Reexamination Board's decision, the patentee in the lawsuit usually would not claim, regarding the claims declared invalid, that his or its invention-creation was "disclosed by any other person without his or its consent" as mentioned in Article 24 of the Patent Law, or such allegation, even though having been filed, would not be supported. However, for the claims maintained valid by the Patent Reexamination Board, the patentee may claim that the claims were "disclosed by any other person without his or its consent" as mentioned in Article 24 of the Patent Law in the lawsuit filed by the petitioner. This mainly results from the fact that as long as the patentee or petitioner does not lodge a lawsuit after the Patent Reexamination Board makes a decision on invalidation, it should be deemed that the patentee or petitioner accepts the decision issued by the Patent Reexamination Board. The patentee's or petitioner's claiming

contrary to what the Patent Reexamination Board decided in the lawsuit filed by the party concerned would obviously violate the principle of good faith, and is a sudden attack on the other party procedurally, which violates the principle of due process. Of course, if a patentee is dissatisfied with the Decision made by the Patent Reexamination Board and lodges a lawsuit, the patentee may claim in the lawsuit that his or its invention-creation was "disclosed by any other person without his or its consent" as mentioned in Article 24 of the Patent Law. ■

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[2] Hu Zongguo, Novelty of Invention Patent from the Perspective of the Chinese and US patent laws, published in China Science and Technology Information, Issue 18, 2005.

[3] Hunan Xinhui Pharmaceutical Manufacturing Co., Ltd. v. Patent Reexamination Board of the State Intellectual Property Office and Zeng Ziqiang, an administrative case of dispute over a patent right for an invention entitled "Chinese herbs for treating hepatitis B and method for preparing the same", see the Beijing No.1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 91/2011.

[4] Hu Minjie, Study on Protection of Trust Interest in Changes in Administrative Provisions, published in Journal of Jiangsu Administration Institute, Issue 5, 2011.