

# **BEIJING EAST IP LTD.**

# **BEIJING EAST IP LAW FIRM**

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## **Patent Infringement Establishment Guidelines from the Beijing Higher People's Court** *(English translation for reference only)*

November 4, 2013

### **I. Determination of Scope of Patent Right Protection for Invention and Utility Model**

#### **(I) Interpretation Object for Determination of Scope of Protection**

1. The scope of patent right protection should be first determined when hearing patent infringement dispute for invention or utility model. The scope of patent right protection for invention or utility model should be based on the contents of the technical features described in the claims, including the contents determined by the equivalent technical features of the technical features as described.

Relevant claims claimed by the patentee should be interpreted when determine the scope of patent right protection.

2. The independent claims of a patent reflects the general technical solution of the patent for invention or utility model, records the technical features necessary for solving technical problem, its scope of protection is more extensive than the dependent claims. When determine the scope of patent right protection, the independent claims of a patent that possesses the most extensive scope of protection should be interpreted.

3. For a patent with two or more independent claims, the interpretations of the scope of protection should be determined by the relevant independent claims as requested made by the rights holder.

4. Where the rights holder claimed to determine the scope of protection by dependent claims, it should be determined by combine the additional technical features described in the said dependent claim and the technical features described in the claims directly or indirectly cited.

5. Technical features means the minimum technical unit or unit combination that is able to independently execute some technical functions and produce relatively independent and corresponding technical effects in technical solutions restricted by the claims.

#### **(II) Interpretation of Principles**

6. Principle of patent validity. The patentee's right claimed should be protected before it is invalidated, and it should not be held invalidate based on that the patent right does not satisfy relevant conditions of grant under the Patent Law.

The copy of patent registration or patent certificate with the receipt of patent annual fee paid for the year can proof the effectiveness of patent right.

7. Principle of eclectic interpretation, the claims should be interpreted according to the technical content as describe in the claims, and the scope of patent right protection should be reasonably determined by the contribution of the claim's description and drawings, existing technology, patent, and other factors. The scope of patent right protection can neither be constricted to the literal meaning of the claims, nor be extended to contents associated by those skilled artisans doing creative labor after reading the description and drawings before the filing date.

8. Integrated (all technical features) principle. All the technical contents described in the technical features of a claim should be treated as a whole, and the technical features in the preamble portion and in the feature portion should be of the same use in defining the scope of patent protection.

### **(III) Methods of Interpretation**

9. The scope of patent right protection should be determined on the text of the patent published and granted by the patent administration department under State Council, or the claims determined by legally effective examination decision for patent reexamination request, examination decision for patent invalidation and relevant authorization, and administrative judgment of confirmation of right. Where claims that consist of several texts, the latest effective text should rule.

10. Interpretation of claims should be made by the person skilled in the art.

The person skilled in the art means a fictional "person" who is presumed to be aware of all the common technical knowledge and have access to all the technologies existing before the filing date in the technical field and have capacity to apply all the routine experimental means before that date.

The person skilled in the art refers not to a particular person or a particular group of people. It is inappropriate to take particular standards, such as education level, title and rank, as references. Where the interested parties have dispute on whether the person skilled in the art is aware of some technical knowledge and able to apply some routine experimental means should provide evidence.

11. The interpretation of claims includes clarifying, remedying, and amending; namely, clarify the meaning of the technical features when the contents of the technical features

in the claims are unclear. Remedy the insufficient technical features when technical features in the claims have defects in understanding. Amend the meaning of the technical features when there are contradicting technical features in the claims and other specific circumstances.

12. Claim description and drawings may be used to make reasonable interpretation of the scope of protection of the technical solution that is literally restricted in the claims, i.e., the features equivalent to the technical features in the claims are interpreted as the scope of patent right protection, or define some technical features on the basis of the claims and drawings of the patent.

13. Interpretation of claims should be made with the contents of description and drawings, relevant claims in the claims, documents of patent examination and effective legal documents.

Where the meaning of claims is still unclear with the above methods, the known literature, such as reference books and textbooks and usual understanding of the person skilled in the art can be used to interpret.

The documents of patent examination in this Opinion refers to office actions sent by patent administration department under State Council during patent examination, reexamination and invalidation, written replies by patentees or patent applicants, records of oral hearing and meeting records and so on.

The effective legal documents refer to legally effective examination decision for patent reexamination request, examination decision for patent invalidation and relevant authorization, and administrative judgment of confirmation of right.

14. Where claims and description of the patent are inconsistent or mutually contradictory, the patent does not comply with the provision of Paragraph 4, Article 26 of the Patent Law, and the interested party should be informed to resolve the matter through patent invalidation proceeding. Abatement of action can be chosen according to the specific case for the litigant starts the patent invalidation proceeding.

Where the litigant is reluctant to go through the invalidation proceeding, or fails to file patent invalidation request in a reasonable time limit, the scope of protection should be based on that restricted by the claims according to patent validity principle and claims priority principle. However, if the person skilled in the art can obtain specific, certain and unique interpretation by reading claims, description and drawings, the wrong expression in claims should be clarified or amended according to the interpretation.

15. Where the dependent claims contain the technical features that have been recorded in the independent claims as necessary to solve the technical problem (lack of these technical features would result the technical solution in the independent claims fail to achieve its purpose), such patent does not comply with Paragraph 2, Rule 21 of the

Implementing Regulations of the Patent Law. Abatement of action can be chosen according to the specific case for the interested party to start the patent invalidation proceeding.

16. Where the claims requested using the function or effect to express the functional technical features, the contents of technical features should be determined in conjunction with the actual implementation or equivalent implementation as described in the description and drawings of such feature or effect.

Functional technical feature means to restrict the technical features in a claim by the coordination between product's components or between the components or the procedure used in its invention to limit the reaction, function, and production of the technical features.

The followings are inappropriate to considered as functional technical features:

(1) Technical features stated in functional or effective language are well-known to those skilled in the art in the designated technical field, e.g. conductors, cooling devices, adhesives, amplifiers, transmissions, filters, etc.;

(2) Technical features stated in functional or effective language, but also described the corresponding structures, material, procedures, etc. of the features at the same time.

17. When determine the contents of the functional technical features, the functional technical features should be restricted to the necessary structures and procedure features that corresponds with the functions and effects to be implemented in the description.

18. Where process claims restricting the procedures order, the procedures and its order should restrict the scope of patent right protection; this should not be considered where process claims does not clearly restrict the procedure order. But it should be considered with the description and drawings, the entire technical solution's claims, the logical relationship between each procedure, and the patent examination documents from the point of view of a person skilled in the art, and confirm whether each steps should be implemented according to the specific order.

19. For product claims restricted by process features, process features restrict the scope of protection of patent right.

20. Where the claims of the patent right for utility model incorporating non-shape, non-structural technical features, the scope of the patent right will be defined by the technical features and interpreted according to the words of the technical features

Non-shape and non-structural technical features refers to the technical features claimed does not belong to the shape, structure or their combination, like the purpose, manufacture process, material composition (components, ratio) etc.

21. Product invention or utility model patent claims are not limited to applications, uses. Generally, applications and uses cannot limit the scope of patent protection.

Where product invention or utility model patent claims applications, uses, such applications and uses should be used as the technical features to limit the scope of protection. However, if the characteristic has no effect on the structure and/or the composition itself, and has no substantial effect to the obtaining of the patent right but only describes the use of the product or equipment, the character should not limit the patent protection.

22. The environment conditions written in claims are technical features necessary and can limit the scope of patent protection.

The environment condition is characterized in the claims to describe the backgrounds of the invention or the technical characteristics of the condition.

23. Where the alleged infringing technical solution can be applied to the environmental condition described in the product claims, it should be deemed that the alleged infringing technical solution has the environmental conditions described in the claims, rather than to the actual use of the environmental condition as a precondition.

24. Where interpretation of technical terms in the specification is deferent from the general meaning of the technical terms, the specification shall prevail.

Where the technical term has developed other meaning when the alleged violation occurred, the interpretation of the technical term should adopt the interpretation on the application date of the patent.

25. The meanings of the same technical terms should be consistent in claims and specifications. Patent claims should prevail when inconsistency occurs.

26. When indications of the drawings are cited in the claims of the patent, the technical features should not be defined by the specific structure as shown in the drawings.

27. The scope of patent protection shall not be subject to the specific examples as disclosed in the specification, except the following conditions:

- 1) The claim is essentially the technical feature recorded in the technical solution;
- 2) The claim includes the functional technical features.

28. The abstract is to provide technical information to facilitate public search and should not be used to define the scope of patent protection or interpret the claims.

29. When printing errors in the patent documents affect the determination of the scope of the patent protection, the patent examination documents may be used to correct the printing errors in the patent document.

For those obvious grammatical errors, typos, etc., if a unique understanding can be obtained from the whole context of the claims or specifications, the interpretation should be based on the actual circumstances.

## **II. Establishment of Infringement of Patent Right for Invention or Utility Model**

### **(I) Comparison methods of technical features**

30. Judging whether the alleged infringing technical solution falls into the scope of patent right protection, the entire technical features of the technical solution as stated in the claims of the patent should be examined, and a detailed, one-by-one, comparison between the entire technical features of the technical solution as stated in the claims of the patent and the alleged infringing technical solution should be conducted.

31. Where the alleged infringing technical solution covers the entire technical features or equivalent technical features as stated in the claims, it should be established that the alleged infringing technical solution falls into the scope of patent right protection. Where the alleged infringing technical solution lacks one or more claimed technical features, or one or more technical features that is different and not equivalent, it should be established that the alleged infringing technical solution does not fall into the scope of patent right protection.

32. In judging infringement, the patented product should not be directly compared with the alleged infringing technical solution, but, the former may be used to help to understand the relevant technical features and technical solution.

33. Where the patentee and the alleged infringer both have patent rights, generally, their patented products or claims should not be compared with one another.

34. When judging product invention or utility model patent infringement, generally, whether the alleged infringing technical solution and the patented technology are in the same technical area is not considered.

### **(II) Identical infringement**

35. Identical infringement is infringement on the meanings of the text, that is, the alleged infringing technical solution contains entire corresponding technical features as stated in the claims of the patent.

36. Where said technical features in the claims of the patent use superior features, but the alleged infringing technical solution is the corresponding inferior features, the alleged infringing technical solution falls into the scope of protection of the patent right.

37. Where the alleged infringing technical solution contains the entire technical features in the claims and adds new technical features, it still falls into the scope of patent right protection.

However, if the new technical features added in the alleged infringing technical solution are excluded from the claims, the alleged infringing technical solution does not fall into the scope of patent right protection.

38. Compared with the technical solution in the closed composition claims, if the alleged infringing technical solution adds new technical features to the entire technical features in the claims, the alleged infringing technical solution does not fall into the scope of patent right protection, except where the added new technical features of the alleged infringing technical solution have no substantial effects on the nature of composition and technical effect or those features are inevitable regular quantity impurity.

39. Where technical features containing functional attributes in the claims, if the technical features of the alleged infringing technical solution not only perform the same function as the former features, but also implemented the same structures and steps as described in the implementation of the patented claims, then the alleged infringing technical solution falls into the scope of patent right protection.

40. Where the invention or utility model patent right granted is an improvement of a prior invention or utility model patent, where a claim of the latter patent that incorporated all the technical features in a claim of the prior patent and added additional technical features, the latter patent is a dependent patent. Implementation of the dependent patent falls into the scope of patent right protection.

The following circumstances are dependent patents:

- (1) Added new technical feature on the basis of incorporating all the technical features of the prior patented product;
- (2) Discovered new use based on the original claim of the patented product;
- (3) Added new technical features based on the original claims.

### **(III) Equivalent infringement**

41. In judging patent infringement, where identical infringement cannot be established, the determination of equivalent infringement should be made.

42. Equivalent infringement means that one or more technical features of the alleged infringing technical solution is textually different than the corresponding technical features claimed, but belongs to equivalent features. It should be established that the alleged infringing technical solution falls into the scope of patent right protection.

43. Equivalent features means the technical features described in the claims use essentially identical means, implement essentially identical function to achieve essentially identical effect, and the ordinary skilled artisans in the art can think of the technical features without inventive work.

44. Essentially the same generally means the usual replacement technical features used by the ordinary skilled artisans in the art and work essentially the same before the date of the infringement.

Technical features arise after the application date and work different from the patented technical features, but belong to substitute features that can be easily thought of by the ordinary skilled artisans on the date of the infringement can be deemed as essentially the same.

45. Essentially the same function means the effect of the substitution means of the accused infringing technical solution compared with the effect of the corresponding claimed technical features of the patented technical solution is basically the same.

46. Essentially the same effect means, in general, the effect of the substitution means of the accused infringing technical solution compared with the effect of the corresponding claimed technical features of the patented technical solution has no material difference.

With respect to the corresponding claimed technical features of the patented technical solution, where the placement means of the accused infringing technical solution that does not significantly raise or lower the technical effect shall be deemed as to have no material difference.

47. Where the technical features can be think of without inventive labor, namely, the interchangeability of placement means of the accused infringing technical solution and the corresponding claimed technical features of the patented technical solution is obvious to an ordinary skilled person in that particular technical field.

48. The means, functions, effects, and necessity of inventive labor shall be determined respectively.

49. The placement equivalent features shall be the mutual replacement of specific and corresponding technical features, but not the mutual substitution of the entire technical solutions.



50. The equivalent features, can be several technical features of the features as claimed corresponding to one of the technical features of the accused infringing technical solution, can be one technical feature of the features as claimed corresponding to several technical features of the accused infringing technical solution.

51. The equivalent replacement not only includes substitution of the distinctive technical features claimed in the patent right, but also includes the technical features in the preamble portion of the claims of the patent.

52. Establishment of whether the technical features of the accused infringing technical solution are equivalent to the technical features in the independent claims of the patent should be subject to the time when the infringing act takes place.

53. Where there are several identical features in both the claimed features and the accused infringing technical solution, if the stacking of the several identical features forms different technical solution than the claimed features or the accused infringing technical solution obtained unpredictable feature effects, then, in general, it shall not be considered to constitute as infringing.

54. Where the claims include functional features, if the corresponding features of the accused infringing technical solution realized the identical function, and realized the composition, steps, and are identical to the composition, steps of the specific implementation stated in the patent description, it should be established as equivalent features.

The determination of the above equivalence should be the date of patent application.

55. Where a patent technical solution includes a scale, if the scale described in the accused infringing technical solution is different from the claimed features, it should not be established as equivalent features.

But where the patentee can prove the scale used in the accused infringing technical solution has no material difference than the technical effect described in the claimed features, it should be established as equivalent features.

56. Where technical solutions are only described in the description and drawings but are not included in the claims, it should be established that the patentee has abandoned such technical solution. Where a patentee claimed scope of patent protection under equivalent infringement includes such technical solutions should not be supported.

Where the accused infringing technical solution is a technical solution expressly eliminated from the description, the patentee's claim of equivalent infringement shall not be supported.

57. When determine the equivalence of the technical features in the accused infringing

technical solutions and in the claim, the accused infringer may defend by patentee's abandonment of such equivalent features and the patentee should be estopped.

The principle of estoppel means, during the process of grant of patent or invalidation, the patent applicant or patentee, who amended or described the claims or descriptions to limit or partially abandoned the scope of protection of the claims. And the patent applicant or patentee should be estop from reincorporate the abandoned contents into the scope of patent protection when determine equivalent infringement in a patent infringement proceeding.

58. The limit or partially abandoned scope of protection by the patent applicant or patentee shall be based on the need to overcome lacked of novelty or inventiveness, lacked of necessary technical features and claims that cannot be supported by the description, or the description is not sufficiently published, and other material deficiencies that prevent grant of patent.

Where patent applicant or patentee cannot explain the reason to amend the patent documents, it can be presumed to overcome material deficiencies that prevent grant patent.

59. The patentee's partial abandonment of a claim's scope of protection shall be expressly described, and has been recorded in the written statement, patent examination file, and effective legal documents.

60. The application of principle of estoppels is premised on the request by the accused patent infringer, and the accused patent infringer has the burden to provide relevant evidence to estop patent applicant or patentee.

Under the circumstances that the people's court obtained evidence of patentee's estoppel, the court may, according to the facts identified, apply principle of estoppel to limit the claim's scope of protection, if necessary, and reasonably determine the scope of patent protection.

### **III. Determination of Scope of Protection of Design Patents**

61. When hearing design patent infringement disputes, the scope of protection must first be established. The scope of protection of design is based on the design shown in the drawing or photographs of the patent product. The brief description of the design and its key elements, patentee's opinion stated during an invalidation proceeding and its litigation, samples or models provided upon the request by the Patent Administration Department of the State Council, etc. may be used to explain the scope of protection of the design.

62. Where there is no key element in the context of design patent's publication of grant, the patentee may submit written materials to indicate the unique parts and contents of

the design.

63. The relevant evidence provided by the interested parties to prove the change of development of the patent product design can be considered when determine the scope of protection.

64. When determine the scope of protection of design, the reference picture of status of use and the picture of changed state products should be distinguished.

The reference of status of use is a request by the Patent Administration Department of the State Council during the examination proceeding to easily and properly categorize the chart provided by the applicant where the brief description of the method, use, or function of the newly developed product of a design, or where some method, use, or function cannot be clearly categorized.

The status of use of reference of a changed state product shall be use to determine the scope of protection of the design of such product.

65. Where a design is claiming protection of color, the color claimed should be used as one of the elements in determine the scope of protection of the design, namely, during infringement judgment, the shape, design, color, and combination of the accused infringed product shall be compare with the corresponding shape, design, color, and combination in general.

66. Where a design is claiming protection of color, the patentee should submit relevant evidence that is issued or recognized by the Patent Administration Department of the State Council to affirm the scope of protection of the design. When necessary, it should verify the color deposited in the patent examination file in the Patent Administration Department of the State Council.

67. Size, material, and internal structure that does not affect the overall visual effect of the product should be excluded from the scope of protection of the design.

68. The scope of protection of similar design patent should be determined by each individual design. The basic design and other similar design can be used as a base to affirm the scope of protection of the design.

Similar design means one of the various designs of the same product was filed for a design patent and was granted. In the various similar designs, one item should be indicated as the basic design. Similar basic design and one of the similar designs should have identical or similar design features, and the distinction between the two should be partially subtle, the product's conventional design, repeated arrangement of design unite, or mere change of color, etc.

69. Where the overall design of sets of products and each composition of sets of

products are displayed on such design patent document's drawings or pictures, the scope of protection can be determined by design each composition of the sets of products or design of the overall set.

Design of sets of products means the design of a two of the products in the same category sold or use as a set, which filed for design patent and obtained issuance thereof.

#### **IV. Determination of Infringement of Design Patent**

70. Design product with the identical or similar types of products, using design that is identical or similar to the authorized design, the accused infringing design should be deemed to fall into the scope of protection of the design patent.

71. When determine infringement of design patent, the comparison should be done by compare the drawing or picture in the issuance publication with the design of the accused design patent, or drawings or pictures that reflect the design of the accused infringing design. It should be compare with the drawings or pictures of the actual product of the design patent submitted by the patentee. But, except where the actual patented product is identical to the drawings or pictures of the design product in the published patent documents, or where the patentee, upon request by the Patent Administration Department of State Council, further clarify the contents of the drawings or pictures and provided a sample or an identical model, and no objection is made by both parties.

72. When determine infringement of design patent, it should be compared with the direct observation of general consumer. It should not be compare with magnifying glasses, microscope, and other tools. But, if the drawings and pictures of the product of the design patent are magnified at filing, then the comparison of infringement products should be done accordingly.

73. When determine infringement of design patent, it should first determine whether the accused infringing design and the design patent fall into identical or similar categories.

74. The use (purpose, status) of the design patent should be used to determine whether the category of the products is identical or similar.

75. When determine whether design patent is infringed, the standard is identicalness or similarity, but not the standard of whether it constitutes the likelihood of confusion, misunderstanding to the general consumer.

76. The average knowledge and cognitive ability of average consumer of the design patent shall be used to determine whether the design is identical or similar. The standard should not be the observation ability of the general designer in the technical field of the design.

77. General consumer is an assumed “person,” which shall be defined by the two aspects of average knowledge and cognitive ability.

The average knowledge of general consumer means the general understanding of the identical or similar products design and the conventional design method before the date of the patent application.

The cognitive ability of general consumer means he or she has certain ability of distinguish the shape, drawing and color of the design products, but is unlikely to notice the minimal changes of the shape, drawing, and color of the products.

When defining the average knowledge and cognitive ability of general consumer on a design product, the specific design products should be focused and process of design development of the design products before the application should be considered.

78. When determine whether design patent is identical or similar, the subjective perspective of the designer should not be used, but use the visual effect of the general consumer.

79. Overall appearance and general judgment should be used as a principle when determine whether the design constitute as identical or similar, namely, all design features of visible portions of the design patent and the accused infringing design should be observed, and judge after general consideration of all elements that may affect the overall visual effect of the product design.

The following circumstances usually have more impact on the overall visual effect of a design:

Compared to other parts, those parts that can be directly observed when properly using the products;

Compared to other design features, design features of the design patent that is distinguishable from the existing designs.

80. Where the accused infringing design and the design patent have no difference on the overall visual effect, the two designs should be deemed as identical. Where there is no material different on the overall visual effect, the two designs should be deemed as similar. In particular:

If the two are identical in shape, drawing, color or any other essential part, the two designs should be deemed identical;

If the two are not identical in shape, drawing, color or any other essential part, but without obvious difference, the two designs should be deemed similar;

If the two have different overall visual effect in shape, drawing, color and have obvious difference, the two designs should be deemed as neither identical nor similar.

81. When determine the identicalness and similarity, the design features that are decided by the product's function and technical effect should not be considered.

The design features that are decided by the product's function and technical effect means the limited or sole design that realizes the product's function and technical effect.

82. For three-dimensional product design, general shape is more effective on the overall visual effect. When determine the identicalness and similarity, the shape should be focused; but where the shape is a conventional design, then drawing and color is more effective on the overall visual effect.

Conventional design means existing design known to the general consumer and can be associated when the product's name is mentioned.

83. For flat products design, the overall visual effect of drawing and color is more effective, when determine identicalness and similarity, the focus should be on the drawing and color.

84. For design claiming color protection, it should first determine whether the design is a conventional design, if the design is conventional, only the pattern, design should be determined; if the shape, pattern, and color are all new designs, the combination of shape, drawing, and color should be determined.

85. Where an opaque material is replaced with a transparent material or a transparent material is replaced with an opaque material, and only the material features is changed, which did not cause substantial transformation to the product's design, then the determination of the design's identicalness and similarity should not be considered. However, where the transparent material changed the ornament design of the product and caused the general consumer's overall visual to the product design to change, it should be taken into consideration.

Where the accused infringing product replaced the opaque material with a transparent material and the product's internal structure can be observed, the internal structure of the product's design should be considered as a part of the design.

86. Where patentee and accused infringer's design patent have been granted, and the patentee's design patent filing date is earlier than the accused infringer's design patent filing date, if the accused infringer's design constitute as identical or similar to the patentee's design, the accused infringer's design patent implementation infringed the prior design patent right.

## **V. Determination of other patent infringement**

### **(I) Patent infringement**

87. Where invention and utility model patent is granted, unless otherwise provided in the patent law, any unit or individual cannot implement a patent without authorization from the patentee, namely, it cannot manufacture, use, offer to sale, sale, import the patented product for the purpose of production and operation, or use the patented method, and use, offer to sell, sell, and import the product obtained by directly using such patented method.

Where design patent is granted, any unit or individual cannot implement the patent without the authorization from the patentee, namely, not to manufacture, sell, or import the design patent products with the purpose of production and operation.

88. Any implementation before the patent publication date of utility model and design patent is not patent infringement.

Any implementation of the invention by a unit or individual between the invention patent publication date and grant of patent date, namely, within the provisional protection of invention patent right, should pay the patentee appropriate royalty. The determination of implementation can refer to applicable laws and regulations on patent infringement.

Where the claimed scope of protection on the date of filing of the patent application by the applicant is inconsistent with the scope of protection on the publication of grant of patent, if the accused technical solution falls into the said two scopes of protection, the accused infringer should be deemed as implemented such invention during the provision protection period. Where the accused infringing technical solution falls only into one of the said scope of protection, the accused infringer shall be deemed as not implemented the invention during the provisional protection period.

89. Manufacture of a patented invention or utility model products means implementing the product technical solution described in the patent claims, the amount and quality of the product does not affect the determination of manufacturing.

The following behaviors should be recognized as manufacturing a patented invention or utility model product:

- (1) Use different method to manufacture products, except product with method-limited claims;
- (2) Entrust others to manufacture or mark “supervised” on the product and other similar participation;
- (3) Behavior of assemble components into a patent product.

90. Manufacturing design patent means the implementation of the patented product that

the patentee provided in a drawing or photographs when apply the patent with the Patent Administration Department of State Council.

91. Use of a patented invention or utility model products means the technical function in a product's technical solution described in the claim has been implemented.

92. Using the infringing invention or utility model products as components or intermediate products to manufacture another product should be deemed as a behavior of using the patented products.

93. Implementing a patented method means every steps of the method described in the technical solution of the claims is implemented, the result of implementing such method will not affect the determination of whether it constitutes as infringing patent right.

94. Implementing patented design product means the design product's function, technical features has been implemented.

The exclusive right of the patentee does not include the right to exclude others using the products of the patented design.

95. Rental of the infringing patented products should be deemed as using the patented products.

96. Sale of patented product means the paid transfer of ownership from the seller to the buyer for the ownership of the infringed products that fall into the scope of protection, or the ownership of the product manufactured by directly implement the patented method, or the ownership of the product that contends the patented design.

Bundling or otherwise transfer the ownership of the said products, obtained commercial interests in covert is also a sell of the product.

97. Using infringing invention or utility model products as components or intermediate products to manufacture another product, the sale of the said product should be deemed as sell of patented product.

Using infringing patented product as component to manufacture and sell the other product should be deemed as a behavior that sell patented design products, except where the infringing patented product in the other product merely contains technical function.

98. Before the actual selling of infringing patented products of others, the accused infringer who expressed the intention to sell infringing patented products of others constitutes an offer to sell.

Advertisement, display in shop windows, or display on the Internet, or display at trade shows and other means to express the intention to sell infringing patented products of



others constitutes an offer to sell.

99. Importation of patented products means the behavior of shipping in a space from abroad across the border into the country for products that fall into the scope of protection claimed, products obtained by directly implement the patented method, or products that contends the design patent.

100. Method patent extends to products means after the grant of a method patent, any unit or individual, without authorization of the patentee, can neither implement such patent method for production and operation purpose, nor use, offer to sell, sell, import the products obtained by directly implementing the patent method.

101. Directly obtain the product by implementing the patent method means using raw materials, items as described on the claim and follow all features of the steps to process, which significantly changed the structure or physical characteristics of the raw material or item to obtain the original products.

Further process and handle of the said original products to obtain subsequent products, namely, using the original product as an intermediate products or raw material to process, handle so to become other subsequent products, which should be deemed as directly obtain the product by implementing the patent method. Further process and handle of such subsequent products is not a behavior of directly obtain the product by implementing the patent method.

102. The “new product” under Article 61 of the Patent Law means the products first produced within the country, such products compare with products in the similar category before the patent application date has significant difference in the components, structures of the product, or in its quality, performance, or function.

Where the products or the technical solutions to manufacture the products are known to public at home or abroad should not be deemed as a new product under the Patent Law.

The patentee bears the burden to prove whether it is a new product. The patentee’s burden of proof is met when the patentee submit evidence that preliminarily proves such products are new products under the Patent Law.

103. Identical product means the accused infringing products and the shape, structure or compositions of the original product obtained through the implementation method of the new product have no material differences.

The rights owner bears the burden to prove whether the two products are identical.

104. For utility invention patent, the rights holder should prove that the accused infringer manufactures uses, sells, offers to sell, and imports the infringing products for the patent’s specific utility.

## **(II) Contributory infringement**

105. Two or more persons jointly to implement the acts under Article 11 of the Patent Law, or two or more persons mutually collaborate to implement the acts under Article 11 of the Patent Law should be deemed as contributory infringement.

106. Abetting, helping others to implement the acts under Article 11 of the Patent Law should be deemed as contributory infringer,

107. Using infringing product as components to manufacture another products and sell thereof, if there exist a collaborative work among the accused infringers, it should be deemed as contributory infringement.

108. Supply, sell, or import products dedicated to implement other's patented materials, specialized equipment, or components, or offer, sell, or import products dedicated to implement other's method patented materials, devices, or specialized equipment, the said perpetrator and executor should be deemed as to contributory infringe.

109. Provisions of venue, warehouse, transportation, and other convenient conditions for others to implement the acts under Article 11 of the Patent Law should be deemed as contributory infringe with the executor.

110. Where the assignee of a technology assignment implement the assigned technology according to the assignment and infringes upon other's patent right, the assignee should assume infringement liability.

## **VI. Counterclaim of Patent infringement**

### **(I) Counter claim of patent validity**

111. Relevant evidence should be provided where the accused infringer raises a counterclaim that protection period of the patent right has expired, the patentee has abandoned the patent right, and the patent right has been declared invalid by effective legal documents,

112. In patent infringement proceedings, where the accused infringer raises a counterclaim that the patentee's patent right does not satisfy the conditions in the claims and should be declared as invalid, the accused infringer should request the invalidation with the Patent Reexamination Board.

### **(II) Counterclaim of abuse of patent**

113. Relevant evidence should be provided where the accused infringer raises a counterclaim that the patentee obtained the patent right with bad faith and abused such

patent right by bring infringement litigation.

In patent infringement proceedings, the abuse of patent right should not be readily established when the patent right has been declared invalid.

114. Patent right obtained in bad faith means to obtain the patent right of an invention-creation that one knows it should not obtain, but obtained through intentionally avoid the laws or other unfair means for the purpose of obtaining unjustified interests or prohibiting other's lawful implementation.

The following conditions can be deemed as bad faith:

- (1) File an application for and acquired the patent right of the technical standard available in the government standards and industrial standards before the filling date.
- (2) File an application for and acquired the patent right of a product knowing the product is particularly manufactured and used in certain area (known technology).

### **(III) Counterclaim based on Non-infringement**

115. The accused infringing technical solution having one or more technical features that are substantively distinct as compared with the corresponding technical features in the claims does not constitute an infringement of the patent right.

116. The accused infringing technical solution having one or more technical features that are not identical or not equivalent as compared with the corresponding technical features in the claims does not constitute an infringement of the patent right.

Being not identical or not equivalent under section 1 of this article means:

- 1). The technical features enable the accused infringing technical solution constitute a new technical solution; or
- 2). The technical features are obviously superior to the corresponding technical features in the claims in function, effect, and the ordinarily person skilled in the art believes that this change is a substantive improvement and non-obvious.

117. The accused infringing technical solution having omitted one technical features or substituted the corresponding technical features in the claims with a simple or inferior technical feature that abandons or significantly reduces the nature or effects of the corresponding technical features and become an inferior technical solution, which does not constitute as a patent infringement.

118. Any entity or person's manufacture, use, or import of the patented products for non-profit purposes does not constitute as a patent infringement.

**(IV) Counterclaim Based on Not Being Deemed as an Infringement**

119. The use, offer to sell, sell, or import of any patented product or product directly obtained under the patented method after the said product is sold by the patentee or by its (his) licensed entity or individual should not be deemed as an infringement of the patent right, including:

(1) After the patented product or product directly obtained under the patented method is sold in the jurisdiction of China by the patentee or the licensee with the authorization of the patentee, the buyer's use, offer to sell, or sell of the patented product or product directly obtained under the patented process; and

(2) After the patented product or product directly obtained under the patented process is sold outside of China by the patentee or the licensee with the authorization of the patentee, the buyer's importation of the product and use, offer to sell, or sell the patented product or product directly obtained under the patented process in China thereafter; and

(3) After a part of the patented product is sold by the patentee or the licensee with the authorization of the patentee, the use, offer to sell, or resell of the part or use the part in the manufacture of the patented product; and

(4) After the equipment used in the exploitation patented process is sold by the patentee or the licensee with the authorization of the patentee, the act of using the equipment to exploit the patented process.

120. Identical products made before the date of the patent application, used identical method or used identical process, made necessary preparations, and continuing making such product or using such a process only within the original scope should not be deemed as patent infringements.

Use, offer to sell, or sell the patented product or the product directly obtained under the patented process under the aforesaid conditions should not be deemed as patent infringements as well.

121. The conditions for enjoying the right of prior use are:

(1). Making necessary preparation for manufacture or use means having accomplished the main technical drawings and the document of art necessary for the exploitation of the invention-creation, or having manufactured or purchased the main equipment or the materials necessary for the exploitation of the invention-creation.

(2). Continuing to manufacture or use within the original scope. The original scope means the actual production output or the scope of production capacity of the specialized production equipment prepared before the date of application for the patent. The act of exceeding the original scope of manufacture or use constitutes an infringement of the patent right;

(3). The prior method or design for manufacture or use of the products should be independently developed by the holder of the prior right or acquired thereby by lawful means, but not plagiarized, stolen or obtained from the patentee by other unfair means before the date of patent application. The accused infringer's counterclaim for prior right based on technology or design acquired by illegal means should not be supported.

(4). The holder of the prior right cannot transfer its or his prior technology, unless it is transferred together with the enterprise it or he belongs to. That means the holder of the prior right transferring the technology or design already exploited or prepared for exploitation or authorized others to exploit after the filing date, the accused infringer claims the exploitation belongs to the original scope should not be supported except the technology or the design transferred or inherited along with the original enterprise.

122. Temporarily passing through the territory, territorial waters or territorial airspace of China by any foreign means of transportation using relevant patents necessary for the device or equipment of the transportation vehicle should follow any international treaty which both parties signed, or on the basis of the principle of reciprocity, which should not be deemed as a patent infringement.

But, temporary passing through borders does not include the "transport" of the patent products by means of transportation, namely, the act of transferring them from one type of transportation to another.

123. Any act of using the patent concerned solely for the purpose of scientific research and experimentation should not be deemed as a patent infringement.

Using the patent concerned solely for the purpose of scientific research and experimentation means scientific research and experimentation on the technology solution itself.

A distinction should be made between the experimentation on the patented product and use of the patented product in experimentation:

(1) The use solely for the purpose of scientific research and experimentation is for the purpose of studying, testing or improving another person's patented technology and making new technology achievement on the basis of the existing patented technology; and

(2) The manufacture with or use of another person's patented technology in the course

of scientific research and experimentation which is not for the purpose of research or improvement of another person's patented technology, but for conducting other technology research and experimentation by utilizing the patented technology solution or researching the business prospect to exploit the patented technology solution, with the result being not directly related to the patented technology, constitutes as a patent infringement.

The use of the patent stated in paragraph one includes the experimenter's manufacture, using, importing relevant patented product or using the patented process on his own, other's manufacture, importing relevant patented product for the experimenter are also included.

124. The act of manufacturing, using, importing patented medicine or patented medical equipment for the purpose of providing the information as required for administrative examination and approval, and manufacturing, importing patented medicine or patented medical equipment exclusively for the said purpose should not be deemed as a patent infringement.

Information required for administrative examination and approval refers to the experimental data, research reports, scientific literature and other related materials stipulated in the "Drug Administration Law," "Drug Administration Law Implementing Regulations" and "Drug Registration Regulations" and other relevant laws, regulations and department rules about Drug Administrations.

#### **(V) Counterclaim Based on Prior Art and Prior Design**

125. Counterclaim based on prior art means that the accused infringing technical features entirely falls into the scope of protection of the patent right or identical or equivalent to the technical features in prior technical solution, or where an ordinary person skilled in the art considers it as a simple combination of prior art and conventional in the art, the technology exploited by the accused infringer is considered as existing technology and the accused infringer's act should not constitute as a patent infringement.

126. Existing technology means the technologies known to the public both at home and abroad prior to the date of application. As for the patent applied and granted before the implementation of the 2008 Patent Law amendments, the existing technology should be defined according to the regulations stipulated in the prior Patent Law amendments.

127. Conflicting application does not belong to the existing technology and cannot be used as existing technology in the counterclaim. However, if the accused infringer claims it or he exploits the conflicting patent in the application, it can be handled according to Article 125 of this Opinion.

Conflicting application refers to any entity or individual filed application for the same

invention-creation to the patentee's invention before the filing date before the patent administration department under the State Council which described the filing date of the patent application documents and published in the patent application document or announced in the patent document after the filling date.

128. Counterclaim of existing design means the accused infringing industrial design is identical or similar to an existing design, or where accused infringing industrial design is a simple combination of an existing industrial design with the conventional design of the product, then the accused infringing industrial design constitutes as an existing design, and the accused infringer's conduct did not constitute an infringement upon a industrial design patent right.

129. Existing design means the design known to the public both at home and abroad prior to the date of application, including known to public by publications and by using. As for the patent applied and granted for industrial design patent right before the implementation of the 2008 Patent Law amendments, the existing design should be defined according to the regulations stipulated in the prior Patent Law amendments.

130. When the accused infringer's counterclaim is made on the basis of the existing design, he should claim in the infringement proceedings and provide relevant evidence about the existing design.

131. When the accused infringer's counterclaim is made on the basis of the prior design, the comparison should be made between the accused infringing article and the existing design to determine whether they are identical or similar, rather than the comparison between the patented industrial design and the existing design.

132. When the accused infringer's counterclaim is made on the basis of conflicting application, a comparison should be made between the accused industrial design and the conflicting application. If the accused industrial design is identical or similar to the conflicting application, the accused infringer's act does not constitute infringement upon the industrial design patent right.

#### **(VI) Counterclaim Based on Reasonable Source**

133. The acts of use, offer to sell, or sell the patented products or products directly obtained from a patented method for the purpose of production and business operation, without knowing that the products are produced and sold without the patentee's permission should belong to the infringement upon the patent right.

However, the user or seller who can prove that he obtains the product from a legitimate source is not liable for compensation, but should bear the legal liability to stop the infringing act.

The legitimate source means that the user or seller made the purchase through legitimate

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