

Properly Selecting Claims to Build the Foundation for Winning an Infringement Litigation

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Interpretation II by the Supreme People's Court on Some Issues Concerning the Application of Laws in the Trial of Patent Infringement Dispute Cases

Article 1

Where there are two or more claims, the right owner shall specify in the complaint the claim(s) based on which infringement of patent right is asserted. Where the asserted claim is not as described, or vaguely described in the complaint, the People's Court shall require the right owner to clarify; if after explanations, the right owner fails to clarify, the People's Court may dismiss the lawsuit.

Article 2

Where the claim(s) asserted by the right owner in a patent infringement litigation are declared invalid by the Patent Reexamination Board (the "PRB"), the People's Court trying the patent infringement dispute may dismiss the lawsuit filed by the right owner based on the invalidated claim(s).

If there is evidence to prove that the PRB decision is vacated by effective administrative judgment, the right owner may bring a separate lawsuit.

If the patentee brings the separate lawsuit, the limitation of action shall be counted from the date of service of the administrative judgment in paragraph 2 of the present article.

In patent infringement litigations, the right owner usually selects independent claim(s) with broadest scope of protection for the purpose of enforcement of the patent right in the future. After the issuance of the *Interpretation II by the Supreme People's Court on Some Issues Concerning the Application of Laws in the Trial of Patent Infringement Dispute Cases*, selecting independent claim(s) no longer serves as the best choice, instead, proper claim(s) should be selected to assert right according to the particular circumstances presented in an infringement.

The importance of properly selected claim(s) in a patent litigation derives from two aspects of reasons. First, the right owner needs to clarify the infringed claim(s). If the claim(s) were asserted upon filing the complaint are selected afterwards, usually the People's Court would not support such later-added claim(s). Second, the invalidation of

claim(s) might cause an involved infringement litigation being denied. If the right owner selects the claim(s) that is later declared as invalid by the PRB, the People's Court trying the patent infringement disputes may not wait for the decision of this administrative judgment from the PRB, and directly renders a judgment to deny the infringement lawsuit. Of course, the right owner can bring another infringement lawsuit based on the invalidated claim if the PRB's decision is overturned in a later proceeding.

Therefore, when the right owner files a patent infringement lawsuit, proper claim(s) should be selected meticulously, and the following aspects of preparation should be made. First of all, make a preliminary selection of all the claims that can cover the infringing product, because, more often than not, an infringing product does not entirely fall into the scope of all the claims. Thus, the right owner should follow the basic principal of selecting all claims to entirely cover the infringing product. Second, analyzing the stability of the selected claims. Requesting for a patent invalidation is a frequent countermeasure adapted by the alleged infringer, which may result in not only a suspension of the infringement litigation procedure, but also a denial of this infringement litigation by the People's Court when the asserted claim(s) in the infringement litigation is declared invalid. In view of this, the right owner should conduct a thorough prior art search to analyze the stability of the claims to be asserted before filing an infringement lawsuit. Third, determine proper claim(s) to be included for initiating the lawsuit. Generally, claims having higher stability and covers the infringing technology should be selected. Claims that contain technical features with interchangeable explanations, or having higher challenge in determine infringement under the DOE should be avoided. The number of the selected claims needs to be controlled within a reasonable range, otherwise the court may request the right owner to reduce the number of the asserted claims (see Endnote 1). The number of the selected claims should not be too few as well, because this may run a risk of the infringement litigation to be denied when that claims are invalidated. Last, the asserted claims shall be finalized prior to the deadline specified by the People's Court. For various reasons, the right owner may fail to finalize the claims to be asserted, or assert claims with errors when filing the complaint. In light of such circumstances, the right owner should finalized the asserted claim(s) upon the judge's request prior to the first hearing, or amend and finalize the asserted claim before the end of the first hearing.

Lawsuit dismissed according to Article 1 will not cause the right owner to lose the right to bring the action again. If the invalidation decision is vacated in a later corresponding administrative lawsuit, the right owner can file another infringement lawsuit based on the valid claims. However the time and costs invested in the previous infringement lawsuit will be in vain. Besides, when re-filing a lawsuit, the right owner should pay attention to the statute of limitation on the particular infringement, and whether the admissibility of evidence previously submitted. If the right owner carefully selects suitable claims to enforce patent right in the very beginning, it is possible to avoid the above problems from happening in some extent.

Endnote 1:

In the article entitled *Problems Should be Noted in Intellectual Property Trial* codified and summarized by the IP tribunal of Beijing Higher People’s Court, “according to judicial practice, some patentees may assert all the claims of the asserted patent to ensure a full protection for the patent right. The above stipulations in the SPC’s interpretations do not specify how to handle such situation where the right owner selects all the claims. We believe that if there are only a few claims, the right owner is generally allowed to select all the claims. However, if there is a large set of claims, or where the references are complicated, the presiding judge shall carry out his right for clarification fully, and actively guide the right owner to select proper claims. Under such situation, if the right owner keeps asserting all the claims, according to Rules 2 and 3 stipulated in the *Guideline of Patent Infringement Judgment* in 2014 by the Supreme People’s Court, the independent claim shall serve as the foundation of the rights, and no examination shall be made on the dependent claims so as to avoid unnecessary judicial waste. After all, independent claim has the largest scope of protection. Thus, regardless whether the alleged infringing behavior falls into the scope of protection of the independent claim, it is needless to continue to exam whether infringing activities fall into the scope of protection of the dependent claims.”