

For Reference Only

The Supreme People's Court's Interpretation on Some Issues Concerning the Application of Laws in the Trials Patent Infringement Disputes Cases (II)

(Legal Interpretation (2016) No. 1)

(Adopted at the 1676th Session of the Judicial Committee of the Supreme People's Court on January 25, 2016, Effective as of April 1, 2016)

In order to facilitate correct trial of patent infringement disputes, the present interpretation is made in accordance with the Patent Law of the People's Republic of China, the *Tort Law* of the People's Republic of China, the Civil Procedure Law of the People's Republic of China and so on, and in combination with practical judicial experience.

Article 1

Where there are two or more claims, a patentee shall specify in the complaint the claim on which he or it bases to prosecute the accused infringer infringing his or its patent right. Where it is not described, or described unclearly in the complaint, the People's Court shall require the patentee to make clarification; if after elucidation, the patentee makes no clarification, the People's Court may reject the lawsuit.

Article 2

Where the claims asserted by the patentee in the patent infringement litigation are declared invalid by the Patent Reexamination Board, the People's Court trying patent infringement disputes may reject the claim invalidation based lawsuit filed by the patentee.

If there is evidence to prove that the decision of declaring the above claim invalid is revoked by the effective administrative judgment, the patentee may bring a separate lawsuit.

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

Article 3

Where the specification cannot be used for interpreting the claims due to apparent violation of Article 26, Paragraphs 3 and 4 of the Chinese Patent Law, and it does not belong to circumstances as stipulated in Article 4 of the present interpretation, if a patent right is thereby requested for invalidation, the People's Court trying patent infringement disputes shall generally rule abatement of action; where a patent right is not requested for invalidation within a reasonable time limit, the People's Court may determine the extent of protection of the patent right based on the content defined in the claims.

Article 4

Where grammar, character, punctuation, figure, symbol and the like in the claims, specification and drawings are ambiguous, if those skilled in the art can obtain the only understanding by reading the claims, specification and drawings, the People's Court shall determine them based on the only understanding.

Article 5

Where the People's Court determines the extent of protection of the patent right, the technical features defined in the preamble and characterizing portions of the independent claims and those defined in the reference and defining portions of the dependent claims all play a role of limitation.

Article 6

Where a divisional application relationship exists between the patent in dispute and another patent, the People's Court may apply the other related patent and its prosecution history, and effective judgment documents concerning patent authorization and determination to interpret the claims of the patent in dispute.

The prosecution history includes written materials submitted by the patent applicant or the patentee in the process of patent examination, reexamination and invalidation; office actions, meeting records, oral trial records, effective examination decision on a request for patent reexamination, and examination decision on a request for declaring the patent invalid, issued by the patent administration department under the State Council and the Patent Reexamination Board.

Article 7

Where the accused infringing technical solution adds other technical features though it comprises all the technical features of the closed claims of a composition, the People's Court shall determine that the accused infringing technical solution doesn't fall into the extent of protection of the patent right unless the newly added technical features belong to an inevitable conventional number of impurities.

The asserted closed claims of a composition in the preceding paragraph generally do not include the claims of a traditional Chinese medicine composition.

Article 8

Functional features are the technical features which are defined by the functions or effects achieved in the invention-creation in consideration of structure, component, step, condition or the relationship between them, with the exception of those technical features of which the detailed embodiments for implementing the above functions or effects can be determined directly and unambiguously by those skilled in the art just from reading the claims.

Compared with the technical features defined in the specification and drawings, which are indispensable for implementing the asserted functions or effects in the preceding paragraph, the corresponding technical features in the accused infringing technical solution implement the same functions and achieve the same effect using basically the same means. It can be readily

conceived by those skilled in the art without paying inventive labor when the accused infringement act occurs. The People's Court shall determine that the corresponding technical features are identical with or equivalent to the functional features.

Article 9

Where the accused infringing technical solution cannot apply to the environment defined by environment features in a claim, the People's Court shall determine that the accused infringing technical solution doesn't fall into the extent of protection of the patent right.

Article 10

Where the preparation method is used to define the technical features of a product in a claim, which the preparation method of the accused infringing product is neither identical with nor equivalent to, the People's Court shall determine that the accused infringing technical solution doesn't fall into the extent of protection of the patent right.

Article 11

Where a method claim does not specify the sequence of technical steps, if those skilled in the art, after reading the claims, specification and drawings, can directly and unambiguously determine that the technical steps shall be implemented in a particular order, the People's Court shall determine that the step sequence plays a role of limitation for the extent of protection of the patent right.

Article 12

Where the claims use expressions such as "at least" and "no more than" to define the feature of numerical value, and those skilled in the art, after reading the claims, specification and drawings, deem that the patent technical solution particularly emphasizes the limitation effect of those expressions on the technical features, if the patentee asserts that the different technical features are equivalent to the above technical features, the People's Court shall not allow.

Article 13

Where the patentee proves that the narrowing amendments or arguments made by the patent applicant and patentee to the claims, specification and drawings in the procedure of patent authorization and determination are explicitly rejected, the People's Court shall determine that the amendments or arguments do not cause the abandonment of the technical solution.

Article 14

Where the People's Court determines the knowledge level and cognitive ability of the ordinary consumers of the design, it shall consider the design space of types of products which the patented design belong to or resemble when the accused infringement act occurs. Where the design space is large, the People's Court may determine that it is typically not easy for the ordinary consumers to notice the minor differences between different designs; where the design

space is small, the People's Court may determine that it is typically easier for the ordinary consumers to notice the minor differences between different designs.

Article 15

With regard to the design patent of a whole set of products, where the accused infringing design is identical with or similar to one of the designs, the People's Court shall determine that the accused infringing design falls into the extent of protection of the patent right.

Article 16

With regard to the design patent of component products with a unique assembly relationship, where the accused infringing design is identical with or similar to the design of the component products in a composite state, People's Court shall determine that the accused infringing design falls into the extent of protection of the patent right.

With regard to the design patent of component products whose components do not have an assembly relationship, or the assembly relationship is not unique, where the accused infringing design is identical with or similar to the designs of all the individual components, People's Court shall determine that the accused infringing design falls into the extent of protection of the patent right; where the accused infringing design lacks the designs of certain individual components, or is not identical with or similar to the designs of the individual components, People's Court shall determine that the accused infringing design does not fall into the extent of protection of the patent right.

Article 17

Regarding varying state design patents, designs under various using states shown by an accused infringing design and varying state figure are all the same or similar, People's Court shall determine that the accused design falls into the extent of protection of the patent right; the accused infringing design lacks of design under one of the using states or is not the same or similar as which, People's Court shall determine that the accused design does not fall into the extent of protection of the patent right.

Article 18

Where patentee appeals an entity or individual that exploits an invention from the publication date of the invention patent to the authorization proclamation date shall pay an appropriate fee according to Article 13 of the *Chinese Patent Law*, People's Court may determine properly by referring to legal provisions related to patent granting royalty.

Where extent of protection claimed by the applicant when the invention patent application is published is different from that when the invention patent is announced for being granted, the accused technical solution falls into the above two extents, People's Court shall determine that the defendant exploits the invention within the period claimed by the previous paragraph; the accused technical solution only falls into one of the extents, People's Court shall determine that

the defendant does not exploit the invention within the period claimed by the previous paragraph.

After an invention patent is announced for being granted, where for production or business purposes, using, offering to sell, or selling products manufactured, sold, imported by other people within the period claimed in the first paragraph of this Article without authorization of the patentee, and other people have paid or have a written promise to pay an appropriate fee prescribed in Article 13 of the *Chinese Patent Law*, regarding to the assertion of the patentee that the above action of using, offering to sell, or selling belong to patent right infringement, People's Court shall not support.

Article 19

Where product sales contracts are formed lawfully, People's Court shall determine that the contracts belong to "sell" stipulated in Article 11 of the *Chinese Patent Law*.

Article 20

Regarding reprocessing or retreating a follow-up product by further processing or treating a product directly obtained by a patented process, People's Court shall determine the action does not belong to "using the product directly obtained by the patented process" prescribed in Article 11 of the *Chinese Patent Law*.

Article 21

Where knowing relevant product is raw materials, device, components, intermedium and so on for exploiting a patent specifically, and the action of providing the product to other people to commit an infringing action for production or business purposes, People's Court shall support that the action of the provider belongs to helping to commit a tort stipulated in Article 9 of the *Chinese Tort Law* as asserted by patentee.

Where knowing that relevant product, method has been granted a patent right; the action of actively inducing a person to commit an action infringing the patent right for production or business purposes, People's Court shall support that the action of the inducer belongs to abetting to commit a tort stipulated in Article 9 of the *Chinese Tort Liability Law* as asserted by patentee.

Article 22

Regarding prior art defense or prior design defense asserted by the accused infringer, People's Court shall define prior art or prior design according to the Patent Law which is effective on the patent application date.

Article 23

Where the accused infringing technical solution or design falls into the scope of protection of previous involved patent right, the accused infringer defends that no patent infringement is

constituted with a reason that his/her technical solution or design is granted a patent right, People's Court shall not support.

Article 24

Where recommendatory countries, business or local standard expresses the essential information of an involved patent, the accused infringer's defensive argument that there is no infringement of patent for exploiting the standard, because permission from the patentee is not required, People's Court shall not support such argument.

Recommendatory countries, business or local standard expresses the essential information of involved patent, when patentee and accused infringer negotiate in terms of requirements of an exploitation license of the patent, the patentee deliberately violates obligation for licensing, which is equality, reasonableness and non-discrimination, as a result, a patent exploitation licensing contract cannot be achieved, and the accused infringer makes no serious fault during the negotiation, regarding the assertion requesting to stop standard exploitation action, People's Court normally shall not support.

Where requirements of exploitation license of the involved patent claimed in the second paragraph of this Article shall be determined by negotiation between patentee and accused infringer. After sufficient negotiation, if agreement is still not reached, People's Court shall be requested for determination. People's Court shall make overall consideration about factors such as innovation degree and its function in the standard, standard's belonging technical fields, nature of the standard, exploitation scope of the standard, involved license condition and so on, according to equal, reasonable and non-discriminatory principles, to determine the above licensing condition for exploitation.

Where provisions on patent in the exploitation standard are stipulated in laws and administrative regulations, the provisions shall apply.

Article 25

Where using, offering to sell, or selling patent infringing products for production or business purposes but without knowing that the product manufactured and sold is a patent infringing product without authorization from the patentee, and a legal source of the product is proved by providing proof, People's court shall support the assertion of the patentee that requests to stop the above actions of using, offering to sell, or selling, however with an exception that user of accused infringing products provides proof to prove that the user has paid a proper consideration for the product.

“Without knowing” claimed in the first paragraph of the Article, refers to actually not knowing and should not know.

Legitimate channel claimed in the first paragraph of this Article, refers to obtaining products via normal commercial method like a legal sales channel, a regular sales contract and so on. Regarding a legal source, user, offered seller or seller shall provide relevant evidence that is in accordance with trading customs.

Article 26

Defendant constitutes a patent right infringement, patentee requests to judge to stop the action of infringement, People's Court shall support; however based on a consideration for national interest, public interest, People's Court does not have to judge the defendant to stop the accused action, instead to judge the defendant to pay a corresponding appropriate fee.

Article 27

Where it is hard to determine patentee's actual loss caused by infringement, People's Court shall request the patentee to provide proof regarding benefit that infringer has obtained from the infringement according to Article 65, Paragraph 1 of the *Chinese Patent Law*; under a situation that patentee has provided preliminary evidence of benefit obtained by the infringer, however account book, material relevant to patent infringing action are mainly owned by the infringer, People's Court shall order the infringer to provide the account book, material; where the infringer refuses to provide the account book, material, or provides fake account book, material, Peoples' Court may determine the benefit obtained by the infringer due to the infringement with reference to assertion and provided evidence of the patentee.

Article 28

Where patentee, infringer agree on an amount of compensation or a calculation method for the compensation, and assert to determine the amount of compensation according to the agreement in patent infringement action, People's Court shall support.

Article 29

After a decision declaring a patent right invalid is made, parties apply for an reexamination based on the decision according to law, requests to withdraw judgment or mediation of patent infringement which has been made but not enforced by the People's Court prior to the patent invalid declaration, the People's Court may judge to stop the reexamination, and stop the enforcement of original judge and mediation.

Where the patentee provides sufficient and valid guarantee to People's Court, requests to continue the enforcement of the judge and mediation claimed in the previous paragraph, Peoples' Court shall continue the enforcement; where the infringer provides sufficient and valid counter guarantee to the People's Court, requests to stop the enforcement, People's Court shall approve. Where People's Court's valid judgment does not withdraw the decision declaring the patent right invalid, the patentee shall compensate the other party for the loss caused by continuing enforcement; where the decision declaring the patent right invalid is withdrawn by the valid judgment from People's Court, the patent right is still valid, the People's Court may enforce the above counter guarantee asset directly according to the judgment, mediation claimed in the previous paragraph.

Article 30

Within statutory period, regarding the patent invalid declaration, no prosecution is instituted to the People's Court or the decision is not withdrawn by a valid judgment after the prosecution, where parties apply for reexamination based on the decision according to law, request to withdraw judgment or mediation of patent infringement which has been made but not enforced by People's Court prior to the patent invalid declaration, People's Court shall issue another examination. Where parties, according to the above decision, apply to end the judgment or mediation of patent infringement which has been made but not enforced by the People's Court prior to the patent invalid declaration, the People's Court shall judge to end enforcement.

Article 31

The interpretation is carried into effect since April 01, 2016. Regarding contents in relevant judicial interpretation issued by the Supreme People's Court previously are not identical with those in the present interpretation, taking the present interpretation as criterion.