

Doctrine of Indirect Infringement of Patent Should Not Be Given Room for Application in China

Wei Zheng

The debate on the doctrine of indirect infringement of patent has been going on for years in China. Since provisions on indirect patent infringement are not set forth in the relevant law, it was called to add them to the Patent Law many years ago. With the Patent Law under amendment for the third time,

the issue has been brought forth once again. It is argued here that the environment and condition are not ready for the existence or application of the doctrine of indirect infringement of patent, with an overview presented on the doctrine and practice of indirect infringement and an in-depth analysis

made of the current doctrine of indirect infringement of patent in China.

I. Legislative aspect

In China, the patent-related laws and regulations have never set forth any provisions on indirect infringement of patent. When the Patent Law was being amended for the second time, the provisions on prohibition of indirect infringement were added in the Proposed Draft of Amendment to the Patent Law submitted by the State Intellectual Property Office (SIPO) to the State Council for review, and were later deleted in the Draft of Amendment to the Patent Law submitted to the Standing Committee of the National People's Congress out of the consideration that the TRIPS Agreement did not provide for indirect infringement of patent, and it was undue for China to accord a protection in excess of the standards set forth in the TRIPS Agreement. Such provisions on prohibition of indirect infringement were not incorporated in the Draft of Third Amendment to the Patent Law submitted for review. In this regard, the SIPO has made the explanations as follows.

“Addition of provisions on prohibition of acts of indirect infringement of patent to the Patent Law is, in essence, to extend the protection of patent right to products that are related to a patented technology and which are not patented per se. For that matter, the issue of indirect patent infringement falls within the sensitive grey zone between the interest of the patentees and that of the general public. Formulation and application of any slightly improper rules will create prejudice to the public right to freely use the prior art. Besides, relevant relief has been made available in the provisions of the General Principles of the Civil Law on joint or contributory infringement against acts of indirect infringement; hence it is not time yet for the Patent Law to provide for indirect patent infringement.”

II. Judicial practice

According to some judges it is unfortunate that it is not legislatively provided for the treatment of indirect patent infringement.¹ Where a law directly applicable to the treatment of indirect patent infringement is absent, the courts at the various levels have been bold enough to make exploration and efforts along the line under the current framework of law, and one of the relatively influential efforts made in this regard is

the Opinions on Several Issues of Patent Infringement Adjudication (Tentative) issued by the Beijing Higher People's Court in 2001, with Articles 73-80 specially providing for the issue of indirect patent infringement. Since they are the very first specific provisions on the adjudication of patent infringement in China and the Beijing Court is in a special regional position, the introduction of the Opinions have great impact on the courts having the jurisdiction over patent cases and their practice. Later in October 2003, the Supreme People's Court issued the Provisions on Several Issues Relating to Trial of Cases of Patent Infringement Dispute (for comments),² with Articles 33 and 37 relating to the issue of indirect patent infringement.

There are incessant precedents involving indirect infringement in the judicial practice, for example, the earliest Civil Judgement (No. Jinjingzhongzi 152/1999) made by the Shanxi Higher People's Court's in the case involving “magnetic-mirror direct-current electric arc furnas, and the latest Civil Judgement (No. Huyizhongminwu (zhi)chuzi 212/2003) made by the Shanghai No.1 Intermediate People's Court's .

III. Present state of theoretic research

There are roughly two schools of thoughts on the conception of indirect patent infringement. Scholars of one school believe that the indirect patent infringement presupposes the presence or arising of an act of direct infringement, i.e. the “joint infringement doctrine”; those of the other school argue that the constitution of indirect infringement is not necessarily conditioned on the presence or arising of an act of indirect infringement, i.e. the “independent infringement doctrine”. The scholars for the independent doctrine are of the view that while an indirect infringer may induce, incite, or abet a third party to exploit another party's patent, the party who directly exploits another party's patent may not directly infringe a patent for one reason or another.³ In the absence of an act of direct infringement, an indirect infringement exists as an act of independent infringement. The said two cases, a decade apart, were both treated substantially under the independent infringement doctrine.

IV. Analysis of doctrine of indirect patent infringement

1. Joint infringement doctrine⁴

The joint infringement doctrine is based on the provisions of Article 130 of the General Principles of the Civil Law and Article 148 of the Supreme People's Court's Opinions on Several Issues Relating to the Implementation of the General Principles of the Civil Law of the People's Republic of China (Tentative, 1992). According to these provisions, anyone who induces or helps another person to perform an infringement is a joint infringer, and should be held civilly liable. In other words, acts to induce or help another person to perform an infringement are treated as joint infringements, without using the concept of indirect infringement of patent.

Since the joint infringement doctrine under the conventional civil law and the relevant provisions of the civil law system in China are adequate enough to regulate such acts of infringement, it is unnecessary to apply the doctrine of indirect patent infringement. Therefore, the joint infringement doctrine should not be treated as a doctrine of indirect patent infringement.

2. Independent infringement doctrine

According to the independent infringement doctrine, even in the absence of an act of direct infringement, an indirect actor may also be held legally liable.

In *Lu Xuezhong v. the Shanghai Aviation Survey and Control Technology Institute*,⁵ the presiding judge's view is very typical: "if only an infringer's act of direct infringement of a patent, such as making or marketing a patented product, constitutes a patent infringement, it would be difficult for the patentee to be fully and truly protected under law. To intentionally avert some technical features of a product in a patented technical solution, some specially make and market main parts that go with said products. A consumer, after obtaining the parts, can assemble the patented product with the relevant products he buys in the marketplace. For this court, such act of making the parts of a patented product constitutes an indirect infringement of patent."

For this writer, this view of independent infringement doctrine is not directly based on law, and is contrary to the basic principle underlying the patent infringement adjudication.

1. The independent infringement doctrine is contrary to the all-technical feature doctrine.

According to the principle underlying the patent infringement adjudication, a patent infringement should be determined on the basis of the claims, and it should be determined that the patent is not infringed in the absence of some technical features of the claims in the alleged infringing arti-

cle or act compared. According to the independent infringement doctrine, however, even in the absence of some technical features of the claims in the alleged infringing product, it may still be determined that the patent is infringed.

As for technical features stated in the claims, the Supreme People's Court has made its position clear⁶ that all the technical features which a patentee states in the independent claim should be regarded as essential technical features that should not be disregarded. All the technical features should be compared. The Supreme People's Court's above position is known as the "all-feature doctrine" in the patent community. Obviously, the independent infringement doctrine tries to hold an indirect actor legally liable in violation of this doctrine, and goes against the patent law principle.

2. The independent infringement doctrine is, in essence, equivalence in entirety

Article 56 of the Chinese Patent Law provides for the information or content of the claims to serve as the extent of protection of a patent. The extent of protection applies to equivalents between features, not those of the entire equivalents. In the absence of some features, it is impossible to compare features to see whether they are equivalent or not; hence, the features have to be compared for equivalents in entirety. The US Federal Supreme Court made the incisive observations as follows on 3 March 1997 in *Warner-Jenkinson Co. V. Hilton Davis Chem., Co.*:

"Each element contained in a patent claim is deemed material to defining the scope of the patented invention, and thus the doctrine of equivalents must be applied to individual elements of the claim, not to the invention as a whole. It is important to ensure that the application of the doctrine, even as to an individual element, is not allowed such broad play as to effectively eliminate that element in its entirety."

Accordingly, what the independent infringement doctrine is based on is the "entire equivalents, something discarded by the community but now picked up again.

3. The independent infringement doctrine is, in essence, another version of the extra-designation doctrine.

The extra-designation doctrine was once quite prevalent, and highly regarded by some scholars in China. According to the Beijing Higher People's Court's definition, the extra-designation doctrine means that in claims construction in patent infringement determination, the obviously attached or additional, namely, the extra features stated in the independent claim are deleted or omitted. The claim construction is only based on the essential technical features of the inde-

pendent claims of the patent in suit in determining whether an alleged infringing article (product or process) has covered the extent of protection of the patent right. Thus, the practice of the extra-designation doctrine is a binary approach whereby a claim is divided into two parts: essential and non-essential technical features, with the latter deleted later on, which is equivalent to redrafting the original claims. The division and redrafting is at a judge's discretion. And, the practice of the independent infringement doctrine is to leave out the process of division, and put, once and for all, "specially making and marketing main parts that go with said products" under the extent of protection of a patent right in suit. It is, in essence, another version of the extra-designation doctrine⁷.

4. The independent infringement doctrine throttles the public's right to design around

The patent law principles show that the claims have two functions: showing the public the extent of the right in a patent; and providing a court with the basis for it to determine the extent of protection thereof. According to the independent infringement doctrine, however, the extent of protection of the claims is adjustable, which would make it totally impossible for the public to determine whether their action falls within the extent of protection of a patent in suit, and make it possible for the judges to make the determination at their own discretion. As a result, the former are deprived of the right to design around, and the latter would make their judgement by inconsistent benchmarks.

IV. Conclusion

To date, there more or less exists the pro-patentee mentality in the courts in China. Guided by this mentality, some judges apply the independent infringement doctrine of indirect patent infringement doctrine to their direct infringement establishment, and the cases of indirect patent infringement are on the rise. However, the independent infringement doctrine is fully contrary to the basic principles underlying the patent law, and ruins the structure of the theoretic system of the patent law. In the absence of a system designed for the indirect patent infringement in the legislative level in China, adjudication of cases according to the doctrine of indirect infringement of patent doctrine is obviously legally baseless, and the judges are suspected of making laws along the line.

Since the joint-infringement doctrine does not go against the general principles underlying the patent law, it is not necessary to treat it as the doctrine of indirect infringe-

ment of patent, and it is quite possible to apply to the infringement determination doctrine and standards of the patent law to the adjudication of the cases of joint infringement.

To conclude, under the basic principle of the IP principle of legality, the legal concept of indirect infringement should not apply in the absence of express law provisions along the line, nor is there any room for the doctrine of indirect infringement of patent to apply. ■

¹ Zhang Xiaoxia, On Independence of Acts of Indirect Infringement of Patent, in Cheng Yongshun's (ed.) Patent Infringement Adjudication Practice, the Publishing House of Law, P.253.

² The Provisions are yet to be officially issued.

³ As the case involving the magnetic-mirror DC arc furnaces, the act of direct exploitation of another party's patent falls outside the domain of law in China, so it is not regulated or governed by the Chinese Patent Law.

⁴ Some scholars refer to the joint infringement doctrine as contributory doctrine that is, the indirect infringement presupposes direct infringement. Only then is it necessary to hold it liable. In other words, indirect infringement is subsidiary to, or dependent on, direct infringement.

⁵ Civil Judgement No. Huyizhongminwu(zhi)chuzi 212/2003.

⁶ See the Supreme People's Court's Civil Judgement No. Minsantizi 1/2005 on <http://www.chinaiprlaw.cn/file/200509135721.html>.

⁷ Some scholars wrote to rebut the extra-designation doctrine long ago, holding that it should come to an end in China. See Liu Guowei, Questioning Extra-designation Doctrine, the Patent Law Studies, 2002, P.132.