

Beijing Higher People's Court Latest Developments in Adjudication of Patent Cases in 2008

The IP Tribunal of the Beijing Higher People's Court

The IP Tribunal of the Beijing Higher People's Court closed its trial of 431 cases in 2008, of which 68 were administrative patent cases and 143 civil patent cases. The Higher People's Court came up with some new views and practice in the cause of hearing these cases.

I. Latest developments of in adjudication of administrative cases of patent invalidation

1. Determination of partial invalidation of design patent

According to the Patent Law, the design refers to a new design of a product's shape, pattern, or the combination thereof, or the combination of its colour and shape and/or pattern, which is aesthetically appealing and fit for industrial

application. Under Article 23 of the Patent Law, any design for which patent right may be granted must not be identical with and similar to any design which, before the date of filing, has been publicly disclosed in publications in the country or abroad or has been publicly used in the country, and must not be in conflict with any prior right of any other person. The product incorporating a patented design should be unique, and the design patent usually protects one design incorporated in a product; hence, the circumstances do not exist of partial invalidation of most design patents. However, when a product incorporating a patented design consists of a plurality of parts, the circumstances possibly exist.

The Zhongshan City Teli Electronic Appliances Co., Ltd. (Teli) v. the Patent Reexamination Board (PRB) and the third person Guangzhou Shenchang Electronic Appliances Co., Ltd. (Shenchang) is an administrative case of dispute over in-

validation of a design patent entitled “multiple-function juice extractor”.¹ Said patent comprises a main machine and parts 1-4, all of which cannot be used in isolation, nor be the main machine used together with one of the four parts, nor used together with the four parts simultaneously. The main machine should be assembled and used respectively with parts 1 and 2 or part 3 and 4. Teli requested the PRB to declare said patent invalid on the ground that the prior patent was of a design identical with the patent in suit, the patent in suit, one of combination of known products of the existing designs, was contrary to Article 23 of the Patent Law. The PRB held that said patent was one for products in set. The design of the product comprising the main machine and part 1 and 2 was similar to one of the product disclosed in the reference, but the design of the products comprising the main machine and part 3 or the main machine and part 4 respectively was neither identical with, nor similar to, that disclosed in reference 1. Therefore, the PRB decided to have declared the patent in suit partially invalid, that was, the design of the product comprising the main machine and parts 1 and 2 invalid, and kept the other two designs of the products comprising the main machine and part 3 or the main machine and part 4 valid. The first-instance court upheld the PRB’s decision.

The Beijing Higher People’s Court held that a product in set was usually a product comprising two or more independent products, and each of them had its own character and value of use. Besides, the combination of these products embodied the value of use of them in combination. But the main machine and parts 1-4 could not be separately used, that was, they did not have their own independent value of use. The patented main machine might be assembled and used respectively with parts 1 and 2; part 3 or 4 to be three products having their independent value of use. That was, the patented products were virtually three products comprising respectively of said three combinations; hence, the extent of protection of the patent in suit should be respectively determined according to the three combinations. The design of the product comprising the main machine and parts 1 and 2 was similar to one of the product disclosed in reference 1, so it fell outside the extent of protection of the patent in suit; and the design of the products comprising the main machine and part 3 and the main machine and part 4 respectively were neither identical with, nor similar to, that disclosed in reference 1. The second-instance court upheld the first-instance judgment accordingly.

2. Determination of whether the measured numerical

value of the drawings or photographs of a design patent could be the basis for determining the design of a product

Article 56, paragraph two, of the Patent Law provides that the extent of protection of the patent right for design shall be determined by the product incorporating the patented design as shown in the drawings or photographs. It needs to be noted that the product incorporating the patented design as shown in the drawings or photographs should not be construed too mechanically. In practice, some interested parties measure the physical parameters, such as length, width, height, thickness and degree of included angle, and use the numerical value of the measurement as the basis for determining the extent of protection of a design patent in suit. It should be said that this practice is undue.

The Ningbo Nanfang Puli Tools Co., Ltd. (Puli) v. the PRB and the third party Yuan Haiming was a case of dispute over the invalidation of a patent for the design² entitled “rechargeable gun driven drill (double heads)”. Puli requested the PRB to declare said patent invalid on the ground that said patent was contrary to Article 23 of the Patent Law, with the evidence of the drawings of “the double heads drill” of the prior design furnished. The PRB took the view that the patent in suit was different from the prior design in a plurality of items, including the difference that the gun body of the patent in suit was at included angle of an approximately 30° to the base while the handlebar at an included angle of approximately 70° to the base of the prior design. The differences in these local shapes were sufficient to render the two significantly different in their overall designs, and had notable impact on the global visual effect of the two. The PRB thus held that the patent in suit was neither identical with, nor similar to the prior design, and decided to have kept the patent in suit valid. The first-instance court upheld the decision made by the PRB.

The Beijing Higher People’s Court held that the extent of protection of a design patent was determined by the product incorporating the patented design as shown in the drawings or photographs, but the drawings and photographs were merely the ways to show the extent of protection, rather than the design of the product *per se*; and the degree of the included angle should not simply be determined with the findings of the measurement of the patented design shown in the drawings or photographs. The determination made by the PRB this way on the difference of the patent in suit and the prior design in the gun body and the base, and the handlebar and the base was not tenable. However, since other differ-

ences between the patent in suit and the prior design had significant impact on the global visual effect of the two, it was right for the PRB to have handled the case this way.

3. Determination of whether assignment of a patented product to another party before the date of filing without concluding an agreement on confidentiality leads to loss of novelty of said patent

Article 22, paragraph two, of the Patent Law provides that the novelty of an application for a patent for invention or utility model means that, before the date of filing, no identical invention or utility model has been publicly disclosed in publications in the country or abroad or has been publicly used or made known to the public by any other means in the country, nor has any other person filed previously with the Patent Administration Department under the State Council an application which described the identical invention or utility model and was published after the said date of filing. If the technical solution of a patent for utility model is relatively simple and those skilled in the art or even the average members of the public may contemplate said technical solution merely through preliminary observation of the patented product or the die for making the same, and if the patentee made said patented product and assigned the patented product or the die for making the same to another party before the date of filing of said patent without obliging the latter to keep them confidential, then said utility model patent would be invalidated for loss of its novelty.

The Jiangxi Province Jian's Boccaro-Ware Technology Co., Ltd. (Jian's) v. the PRB and the third person Xiong Lusheng (Xiong) was a case involving invalidation of a patent for utility model³ entitled "special-shaped pad plate for demoulding boccaro-ware and ceramics". Before the date of filing of the patent in suit, the patentee Xiong Lusheng concluded with Jian Guang, legal representative of Jian's, a contract for transfer of the equipment for making ceramic ware and a contract of employment, under which Xiong sold, to Jian Guang, in a lump sum, the equipment of the form-making workshop containing the "supporting plate for demoulding plaster/gypsum" (namely the patent for the "special-shaped pad plate for demoulding boccaro-ware and ceramics"), and Jian's also employed Xiong to work for it for the management of production and technology. These contracts were executed. Now Jian's requested the PRB to declare the patent in suit invalid on the ground that it did not possess novelty. The PRB took the view that while Xiong assigned the "supporting plate for demoulding plaster/gypsum" to Jian's before the date of

filing, the assignment, based on cooperation or employment, resulted in or generated an entity of interests. For that reason, said assignment and use within the Jian's were insufficient for one to presume that the technical solution of the patent in suit was made available or accessible to any other party. Both parties were engaged in making boccare and ceramic ware, and the "supporting plate for demoulding plaster/gypsum" was not end products made for marketing, but a piece of equipment for making boccare and ceramic ware. The evidence available could not prove that the corporate use of it and marketing of the boccare and ceramic ware had rendered the technical solution of the patent in suit known to the public. Accordingly, the PRB decided to have upheld the validity of the patent in suit. The first-instance court held that Xiong assigned the patented product to Jian's before the date of filing to have made it readily accessible to all its employees, and he did not conclude any agreement with Jian's to keep it secret; hence the patent was disclosed, so did not possess novelty. Therefore, the court cancelled the PRB's decision, and ordered it to make another one.

The Beijing Higher People's Court took the view that disclosure by use included making a technical solution readily available or accessible to the public by virtue of manufacture, use, sale, import, exchange, giving as a present, demonstration and display. It was not determined by whether any member of the public had come to know about it. Xiong assigned to Jian's the production equipment, including the patented product, and thereby Jian's became the owner of it. It did not obtain the relevant technical secret, nor did Xiong explicitly require Jian's to keep it secret in connection with the technical secret relating to the assigned equipment. For that reason, it was impossible for Jian's to get to know which equipment was the technical secret, let alone for it to be obliged to keep it as such. The technical features of the patent in suit were not very complicated, and those skilled in the art could find it easy to get to know about it. Besides, the patented products were readily accessible to all the employees of Jian's. Accordingly, the technical solution of the patent in suit had been made readily available to the public, constituting disclosure by use; hence the patent in suit was contrary to the provision on novelty of Article 22, paragraph two, of the Patent Law, and the court ruled to have upheld the first-instance judgment.

4. Determination that it is not sufficient to deny the novelty of patent for invention on the basis of "equivalent" technical features with structural difference ignored.

The novelty of a patent for invention should be deter-

mined with separate comparison made of each claim of the invention patent with each existing technology or the relevant technical information of any invention for which an application was filed before and which was published after it. It should not be compared with the combination of several existing technologies or the combination of the technical information of any invention for which an application was filed before and which was published after it, nor with the combination of several technical solutions of one reference. Meanwhile, the novelty should be assessed according to whether the two were substantially identical or similar in terms of the technical field, the technical problem to be resolved, the technical solution and the expected effect. The novelty should not be denied merely by generally holding that the technical features of the invention patent are “equivalent to” some technical features of the existing technology.

The IROPA Co., Ltd. v. the PRB and the third person, the Cixi City Taiyang Textile Equipment and Materials Co., Ltd. (Taiyang) was an administrative case of dispute over invalidation of a patent for the invention⁴ entitled “Weft feeder for weaving machine”. Taiyang requested the PRB to declare the patent in suit invalid, and submitted a reference as the evidence. The PRB held that the reference disclosed a mechanism equivalent to said patented apparatus, some technical features of which were equivalent to some technical features of the patent in suit, which had rendered claim 1 thereof devoid of novelty. With the claim 1 lacking novelty, dependent claims 2-5 did not possess novelty, nor did dependent claims 6-7 possess inventiveness. The PRB, therefore, declared claims 1-7 of the patent in suit invalid, and kept the patent in suit valid on the basis of claims 8-14 thereof. The first-instance court upheld the PRB’s decision.

The Beijing Higher People’s Court held that the technical solution of claim 1 of the patent in suit and that of reference 1 were dissimilar invention-creations, and that the PRB held that the reference disclosed a mechanism equivalent to said patented TSC, some technical features of which were equivalent to some technical features of the patent in suit, but failed to further review how the mechanism disclosed in reference was “equivalent to” that of the patented apparatus, and how some technical features thereof were “equivalent to” some technical features of the patent in suit. The PRB had, instead, directly determined that, compared with the reference, claim 1 of the patent in suit lacked novelty, and ignored the difference between the technical solution of claim 1 of the patent in suit and that of the reference. This was obviously undue.

Claims 2-7 were dependent on claim 1 and the PRB examined them on the basis of its lack of novelty; while this court had determined that claim 1 of the patent in suit possessed novelty compared with reference 1. Accordingly, the PRB should re-examine Taiyang’s request for invalidation of the patent in suit and the relevant grounds. For this reason, this court would no longer review the conclusion made by the PRB upon examination of claims 2-7 of the patent in suit, and, order the PRB to make another examination decision.

5. Determination of whether a technical solution with deteriorated technical effect as a result of deleted essential feature possesses inventiveness.

Article 22 of the Patent Law provides that the inventiveness of the invention patent means that, as compared with the technology existing before the date of filing, the invention has prominent substantive features and represents a notable progress. If an invention with some essential features of the existing technology can achieve the same or even better technical effect, it may be determined as possessing the inventiveness. But if deletion of some essential features of the existing technology results in loss of the corresponding technical effect and the deterioration of the overall technical effect, said invention should not be determined as having prominent substantive feature and representing notable progress.

The Sichuan Guangyou Industrial Group Co., Ltd. (Guangyou) v. the PRB and the third person Sichuan Baijia Foodstuff Co., Ltd. (Baijia) was an administrative case of dispute over invalidation of a patent for invention entitled “a process for making instant vermicelli made from bean starch”.⁵ Baijia requested the PRB to invalidate said patent on the ground that it did not possess inventiveness. By comparison, claim 1 of said patent was different from the prior art in that (1) compared with evidence 4, the steps of high-temperature drying up and medium-temperature upwind drying up before putting into the mould after processing and shaping of the vermicelli were missing in claim 1; and (2) vermicelli was put into package right after drying up in claim 1, while it was dried up and dilated before being put into package after drying up in evidence 4. Guangyou, the patentee, argued that said differences were sufficient to show that its patent possessed inventiveness compared with the prior art. The PRB did not hold claim 1 of the patent in suit possessing inventiveness compared with the prior art, and declared the patent in suit invalid. The first-instance court upheld PRB’s decision.

The Beijing Higher People’s Court held that as for said

distinguishing feature (1), drying up in shaping die was required for the patent in suit and the prior art, that is, putting vermicelli into shaping die before shaping for drying up and shaping inside the shaping die. In the method of the prior art, the cured and shaped vermicelli had to be dried up before putting into the die to prevent it from sticking together, but this step was deleted in claim 1 of the patent in suit. However, all those of ordinary skill in the art knew that if it was directly cut apart the cured and shaped vermicelli stuck together due to the high temperature and stickiness of the surface of it. Therefore, while this step was deleted in the technical solution of claim 1, the effect of not sticking together was missing. In this case, the technical solution with this step and the effect missing was obvious to those skilled in the art. As for distinguishing feature (2), the step of drying up and dilation was missing in claim 1 compared with the prior art, so was the resultant effect of the step; said distinguishing feature did not bring any prominent substantive feature or notable progress to the technical solution of claim 1 of the patent in suit. Therefore, it was obvious, for those skilled in the art, to obtain the technical solution of claim 1 of the patent in suit on the basis of the prior art; claim 1 of the patent did not have prominent substantive feature, nor represent notable progress compared with the prior art, so it was contrary to the provision on inventiveness of Article 22, paragraph three, of the Patent Law.

6. Determination of the role of feature of drug administration to limit patent for invention of process for making medication

Under Article 25 of the Patent Law, methods for diagnosis and treatment of diseases are not patentable. To circumvent this provision, some patent applicants often try to apply for patents for processes for making medicaments, by drafting the claims as “compound X is used for making a medication for the treatment of disease Y”, with its claims often containing the technical features of the amount of drug administration as the main technical feature, or administration feature. The PRB has long taken the view that such administration feature does not limit or define the technical solution of a patent for invention of processes for making medicaments. The Beijing Higher People’s Court held a different view on the issue as shown in the judgment it has recently made.

Merck v. the PRB and the third person, Hanan Tianfang Drug Industry Co., Ltd. (Tianfang) was an administrative case of dispute over the invalidation of a patent for the invention 5 entitled “a method by using 5- α reductase inhibitor for the

treatment of trichomadesis caused by androgenic hormone”. Tianfang requested the PRB to invalidate said patent on the ground that it was contrary to the provisions on novelty and inventiveness of the Patent Law, and submitted thereto a prior EPO patent. The patent was different from the prior patent in that (1) the dosage of administration of the medicament defined in the patent in suit was about 0.05-3.0mg; and (2) the administration as defined in the patent in suit was oral, which was missing in the prior patent. The PRB took the view that said feature (1) was one of drug administration, which did not define the technical solution of the method for making said medicament, and was deemed non-existent in the assessment of novelty or inventiveness. While relating to the way a medicament was used, feature (2) generally implied a certain technical feature of the product. For example, oral administration required that the auxiliary substance be fit for oral administration, which limited the choice thereof. That was, feature (2) defined the medicament to an extent, and, for this reason, claim 1 of the patent in suit possessed novelty. Merck argued that use of the substance for making medicament differed from method for making medicament. But since the claims of the patent in suit did not possess inventiveness compared with the prior art, the PRB declared the patent in suit invalid. The first-instance court upheld the PRB’s decision, holding that the claim of the use for making a medication was not protected against a doctor’s treatment with the amount of dosage of administration to a patient, otherwise it would limit a doctor’s freedom to choose methods available for treatment, cause damage to the public interests, and go against the legislative aim of the Chinese Patent Law.

The Beijing Higher People’s Court took the view that the views held by the PRB, Merck and the first-instance court were all untenable. First, the claim of a patent for invention of medical use of a compound was usually drafted as “compound X is used for making a medication for the treatment of disease Y”. This was a typical form of such use claims for making patentable a method drafted as “compound X is used for the treatment of disease Y”, so that the patent protected the medical use of compound X. If the medical use of compound X was incorporated in the preparation of the medicament, it might be deemed to be a method for making a medicament, with an effect equivalent to “a method for making a medication for the treatment of disease Y, characterised in the application of compound X”. Therefore, Merck’s above argument was not tenable. Second, an invention for using a medicament was essentially one for the method of

using a medicament. The technical feature of how to use it, i. e. the feature of administration, such as the form and amount of dosage, should be a technical feature relating to the method of use of a medicament to be incorporated in the claims. In practice, there was a need for improving the form and amount of dosage to achieve an unexpected technical result or effect. Besides, preparation of a medicament was not one of active ingredient or raw material of drug. It should cover all the process of manufacture before packaging a medicament for marketing. Of course, it also covered the feature of administration, such as the form and amount of dosage. When a patentee improved the form and amount of dosage, taking no consideration of the “feature of administration” was not conducive to the development of the drug industry nor to meeting the public needs for health, and was contrary to the legislative aim of the Chinese Patent Law. For that matter, the PRB’s above view was not convincing. Third, the claims of a patent for use of a medicament often included feature of the substance of drug, feature of making it, and feature of its applicability to a disease. But a doctor’s treatment only related to the technical feature of how a medicament was used, not the feature of making it. Besides, his treatment, not for business purposes, would not infringe a patent; hence incorporating technical features of form and amount of dosage in the claims of a patent for use of a medicament would not limit a doctor’s freedom to use a medicament in his treatment of a disease. The first-instance court’s concern was not necessary. However, since the patent in suit did not possess inventiveness, the Beijing Higher People’s Court upheld the first-instance ruling.

II. Latest developments in adjudication of civil patent cases

7. Determination of new products of patents for invention of manufacturing processes

Article 57, paragraph two, of the Patent Law provides: “Where any infringement dispute relates to a patent for invention for a process for the manufacture of a new product, any entity or individual manufacturing the identical product shall furnish proof to show that the process used in the manufacture of his or its product is different from the patented process.” Here are involved the issues of distribution and reverse of burden of proof in lawsuit against infringement of patents for processes for making new products. In other words, in dispute arising from infringement of a patent for

method for making a new product, the defendant is under the burden to prove that the allegedly infringing method for making the new product differs from the patented method in suit. But, the prerequisite for reversing burden of proof under the Patent Law is that a plaintiff is under the preliminary burden of proof. For example, he or it is under the burden to prove that the product made with its patented process is a new product. But views are divided on how to determine this in judicial practice.

BASF v. the Nantong Shizhuang Chemical Engineering Co., Ltd. (Shizhuang) and the Beijing Sunshine Clover Biochemical Technology Co., Ltd. (SCBT) was a case of dispute arising from infringement of a patent for the invention⁷ entitled “means for preparation of substantially dust-free tetrahydro-3, 5-dimethyl-1,3,5-thiadiazine-2-thione granules”. BASF, the patentee, argued that the patented process in suit was to make a new product, so it was Shizhuang who should be under the burden to prove that it had made its product with a different process. The first-instance court determined that the plaintiff’s product was not a new product.

The Beijing Higher People’s Court held that where a patent infringement dispute involved a patent for an invention of process for making a new product, the entity or individual making the identical product should present proof that its process used for making its product was different from the patented process, but the patentee should first adduce evidence to show that the product made with the patented process in suit was a new product. The so-call “new product” referred to one made for the first time in China. The product should be obviously different from the products of the same class already made available before the date of filing of its patent in components, structure or quality, performance and functions. In the present case, the plaintiff’s patent related to a method for making substantially dustless “preparation of substantially dust-free tetrahydro-3, 5-dimethyl-1,3,5-thiadiazine-2-thione granules”. It was also stated in the description of its patent that the object of the patent was to provide a simpler method for making Dazomet product. Before the plaintiff filed its application for the patent, the publication of the recordal of pesticide made by the Farm Pesticide Testing Institute of the Ministry of Agriculture covered the product the patent in suit related to, namely the “tetrahydro-3, 5-dimethyl-1,3,5-thiadiazine-2-thione granules”. Therefore, the product made by the plaintiff with its patented process was not obviously different from the products of the same class already made available before the date of filing of its patent in com-

ponents, structure or quality, performance and functions; hence, it was not a new product. BASF should be under the burden to prove that Shizhuan had used its patented process to make the allegedly infringing product.

8. Determination of whether equivalent technical features are constituted by taking comprehensive account of the means, function and effect of the features of the relevant technology and of the obvious presence of substitution.

Article 56, paragraph one, of the Patent Law provides: "The extent of protection of the patent right for invention or utility model shall be determined by the terms of the claims. The description and the appended drawings may be used to interpret the claims." Under Article 17 of the Several Provisions of the Supreme People's Court on Issues Relating to Application of Law to Adjudication of Cases of Patent Disputes, "the extent of protection of the right for invention or utility model shall be determined by the terms of the claims. The description and the appended drawings may be used to interpret the claims" as referred to in Article 56, paragraph one, of the Patent Law means that the extent of protection of patent right should be determined by the necessary technical features expressly presented in the claims, including the extent as determined by the features identical with the necessary technical features. The identical features refer to the features which perform a function and achieve an effect substantially identical with those of the recorded technical features by substantially identical means and which can be contemplated by one of ordinary skill in the art without undue burden. Whether a technical feature constitutes a substitution with equivalents should be determined with comprehensively taking account of the obvious substitution of the technical features of the allegedly infringing technical solution and the corresponding ones of the patented technical solution in terms of the means, functions, effects and substitution to correctly judge whether the allegedly infringing technical solution is equivalent to the patent technical solution.

The Beijing Enfei General Equipment Technology Co., Ltd (Enfei) v. the Beijing Kuangdi Technology Co., Ltd. (Kuangdi) was a case of dispute arising from infringement of a patent for the utility model⁸ entitled "wet-type dust remover with three effects". Kuangdi made and marketed the allegedly infringing product, "wet-type highly efficient dust remover unit", which was different from the patented technical solution only in that the feature E of the patented technical solution was that "bearing bases, two of them, one at the front and the other at the rear fixed on the frame; inside the bases was

placed an axis connected with that of the wet-type fan through the bearings support", while features of the allegedly infringing product was: "bearing bases, two of them, one at the front and the other at the rear fixed on the frame; inside the bases is placed an axis used by the bearings support and the wet-type fan". The first-instance court held that feature E of the technical solution of the patent in suit was neither identical with, nor equivalent to, feature e of the allegedly infringing product, and that latter did not fall within the extent of protection of the patent, so the court rejected the plaintiff's litigant claims.

The Beijing Higher People's Court held that feature E of the technical solution of the patent in suit might be determined as having two axes: one was the axis inside the bearings bases, and the other was one of the fan. Since the axis inside the bearings base of the allegedly infringing product was of the same one as that of the wet-type fan, its feature e was not identical with feature E of the patent in suit. But, the two axes of the patent in suit were connected to each other, as the claims and description of the patent in suit showed, the electric motor of the patent in suit, when working, activated the axis inside the bearings bases. Since the axis inside the bearings bases was connected with that of the wet-type fan, the electric motor, when working, drove the wet-type fan through the axis inside the bearings bases to set the wet-type fan in motion normally; while the axis inside the bearings bases of the allegedly infringing product was of the same one as that of the wet-type fan, the working electric motor might directly drive the axis inside the bearings base, namely the axis of the wet-type fan. Thus, there being two axes in the patent in suit and one in the allegedly infringing product, they all had the function and effect of setting the wet-type fan in motion through the running electric motor to enable the electric motor and the wet-type fan to function or operate normally. While it was merely shown that the axis inside the bearings bases was connected with that of the wet-type fan, without specifying the mode of connection, as the working principle of the technical solution of the patent in suit showed, the connections should at least cover fixed connection. When they were connected by way of fixation, it was very easy for one skilled in the art to contemplate use of one axis to substitute for two axes connected through fixation. Hence, compared with feature E of the patent in suit, feature e of the allegedly infringing product used substantially the same means, performed substantially the same function, and achieved substantially the same effect, and was one that

those of ordinary skill in the art could contemplate without undue burden; hence the two constituted equivalent technical features. Accordingly, the second-instance court reversed the first-instance judgment, and found the constitution of the accused infringement.

9. Determination that non-patented technical solution disclosed in the description of a prior patent constituted prior art

When a defendant makes a prior art defence based on a prior patent in lawsuit against an accused infringement of a utility model patent, he or it should properly handle the scope of the prior art, and see to it that the technical solution disclosed in the claims of the prior patent should not be taken as the prior art. What's more, he or it should not take the technical solution disclosed in the independent claim of the prior patent as the prior art. In fact, all the technical solutions as disclosed in the legal documents of said prior patent, including the claims, description, appended drawings and embodiments, and even the technical solution as disclosed in the process of application for, and the invalidation examination of, the prior patent, may all constitute the prior art of the plaintiff's patent.

The Beijing Dongfang Jingning Building Material Co., Ltd. (Dongfang Jingning) and Xu Yan v. the Beijing Ruichuang Weiye Real Estate Development Co., Ltd. (Ruichuang Weiye), Beijing Ruichuang Weiye Science and Technology Co., Ltd. (RWST) and the Beijing Ruida Huatong Chemical Engineering and Material Technology Co., Ltd. Material (Ruida Huatong) was a case of dispute arising from infringement of a patent for the utility model⁹ entitled "a light foamed material filler member containing a hard reinforcing layer". Xu Yan was the patentee, and Dongfang Jingning the holder of the right to exploit said patent. Ruichuang Weiye used the allegedly infringing article "light foamed building material" made and marketed by Ruida Huatong in its construction projects. Ruida Huatong argued that the allegedly infringing article used a known technology, and furnished the prior patent for the utility model of "a multiple-sectioned light cellular material filler" as the asserted prior art. The first-instance court held the prior art defence tenable, and rejected the two plaintiff's claims.

The Beijing Higher People's Court held that the extent of protection of the patent right for utility model should be determined by the terms of the claims, and the description and appended drawings may be used to interpret the claims; but what were stated in the description should not be directly put in the claims, or they would affect the correct definition of the

extent of protection of the patent. In the prior patent in the case at least two technical solutions were disclosed: one presented in the independent claim, and the other disclosed separately in the description, which was different from the former. Article 56, paragraph one of the Patent Law provides: "the extent of protection of the patent right for invention or utility model shall be determined by the terms of the claims. The description and the appended drawings may be used to interpret the claims." Accordingly, the proceeding first technical solution was the one claimed in the prior patent, and the second was only one the patentee contributed to the public when his first technical solution was patented. The two technical solutions constituted the known technologies of the patent in suit. The technical solution used in the allegedly infringing product was neither identical with, nor equivalent to the first technical solution in the prior patent, but equivalent to the second technical solution. While the first-instance court mistook the second technical solution for the technical solution claimed in the prior patent, it was right to have determined that the allegedly infringing product used a known technology. For this reason, the second-instance court upheld its judgment.

10. Determination that acts of manufacturing, by placed order, products infringing another party's design patent and using them specially for the assemblage of other products constituted infringement

Article 11, paragraph two of the Patent Law as of 2000 provided: "After the grant of the patent right for a design, no entity or individual may, without the authorisation of the patentee, exploit the patent, that is, make, sell or import the product incorporating its or his patented design, for production or business purposes." As a rule, when an allegedly infringing product is identical with or similar to the product incorporating a patented design, and the designs used for making the products are identical or similar, the act to make said allegedly infringing product constitutes an infringement by way of manufacture. But in practice, views are divided on whether an act of using a product infringing another party's design patent as part of another product without directly making the product infringing the design patent constitutes an infringement of the design patent by way of manufacture.

Honda and the Dongfeng Honda (Wuhan) Co., Ltd. (Dongfeng Honda) v. the Hebei Xinkai Auto Manufacturing Co., Ltd. (Xinkai), et al. was a case of dispute arising from infringement of the patents for three designs of rare bumper, front bumper and front grid. Honda was the patentee and the

Dongfeng Honda the exclusive licensee of the three patents. Xinkai invited another party to make the products of the rare and front bumpers and front grid infringing said design patents, and used the same specially in the auto products it made. The Beijing Higher People's Court held that the allegedly infringing products of bumpers and grid were of the designs similar to the plaintiff's three patents, and Xinkai's acts of inviting another party to make the products of the bumpers and grid infringing said design patents, and using the same specially in the auto products it made were acts of making the allegedly infringing products. Meanwhile, Xiakai marketed the automobiles with the allegedly infringing products, which constituted marketing of said allegedly infringing products. Accordingly, the court ruled that Xinkai cease and desist from the infringement and be liable for the plaintiff's damages and reasonable expenses. ■

Author: Liu Xiaojun, Judge of the Intellectual Property Tribunal of the Beijing Higher People's Court

¹ See the Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 519/2008 and the Beijing No.1 Intermediate People's Court's Administrative Judgment No. Yizhongxingchuzi 589/2008.

² See the Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 519/2008 and the Beijing No.1 Intermediate People's

Court's Administrative Judgment No. Yizhongxingchuzi 589/2008.

³ See the Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 718/2008 and the Beijing No.1 Intermediate People's Court's Administrative Judgment No. Yizhongxingchuzi 293/2008.

⁴ See the Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 260/2008 and the Beijing No.1 Intermediate People's Court's Administrative Judgment No. Yizhongxingchuzi 56/2006.

⁵ See the Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 46/2008 and the Beijing No.1 Intermediate People's Court's Administrative Judgment No. Yizhongxingchuzi 1286/2007.

⁶ See the Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 378/2008 and the Beijing No.1 Intermediate People's Court's Administrative Judgment No. Yizhongxingchuzi 854/2007.

⁷ See the Beijing Higher People's Court's Civil Judgment No. Gaominzhongzi 164/2008 and the Beijing No.2 Intermediate People's Court's Civil Judgment No. Erzhongminchuzi 12860/2007.

⁸ See the Beijing Higher People's Court's Civil Judgment No. Gaominzhongzi 1/2008 and the Beijing No.2 Intermediate People's Court's Civil Judgment No. Erzhongminchuzi 6753/2007.

⁹ See the Beijing Higher People's Court's Civil Judgment No. Gaominzhongzi 1165/2008 and the Beijing No.2 Intermediate People's Court's Civil Judgment No. Erzhongminchuzi 120/2008.

¹⁰ See the Beijing Higher People's Court's Civil Judgment No. Gaominzhongzi 1472/2004.