

Elaboration on Beijing Higher People's Court's Patent Infringement Adjudication Guidelines

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The Opinions on Several Issues Relating to Adjudication of Patent Infringement (Provisions 2001 for short) issued by the Beijing Higher People's Court on 29 September 2001 have been playing an active role in adjudication of patent cases by the courts in Beijing. With the developments of the patent theoretic research and adjudication practice, views held by the academic and practice communities on some issues have changed. Especially after the amended Patent Law was promulgated in 2008 and the Interpretation of Sev-

eral Issues Relating to Application of Law to Adjudication of Cases of Dispute over Patent Right (Judicial Interpretation 2009) issued by the Supreme People's Court in 2009, some ways of practice set forth in the Provisions 2001 are no longer compatible with the relevant provisions of the amended Patent Law and the Judicial Interpretation, and the Provisions 2001 need to be revised in relation to these incompatible aspects. To this end, the Beijing Higher People's Court set up a project group in April 2010 to look into the patent in-

fringement adjudication practice and solicit extensive opinions from all sides, and has come up with the present Patent Infringement Adjudication Guidelines (the Guidelines for short), which, comprising 133 Articles, have the structure of provisions in the form of the basic framework of the Provisions 2001, and changed the former title into the present Patent Infringement Adjudication Guidelines to highlight the fact that the Guidelines will serve only as a frame of provisions for the IP judges within the Beijing court system to adjudicate patent-related civil cases. Following is an elaboration on the main parts on amendment made to the Provisions 2001:

I. Standard for dividing technical features in claims

Determination of the extent of patent claims, or claim construction, is the first issue that should be addressed by the People's Courts in adjudicating patent infringement cases. Compared with the other IP rights, the patent right is special with respect to the extent of protection. Article 59, 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." Rule 19, paragraph one, of the Implementing Regulations of the Patent Law further provides: "The claims shall outline the technical features of the invention or utility model." Under these provisions, all the technical features outlined in the claims jointly define the extent of protection claimed. In practice, however, there still exists the phenomenon that some judges would like to define or identify technical features according to the paragraph of, or punctuation marks in, the literal expression of the claims. Some claims may be construed this way. But claims are written or drafted in a variety of forms. Construction of all claims this way without making specific analysis or determination would easily result in erroneously divided technical features, thus rendering the determined extent of protection too broad or too narrow. Disputes over divided technical features are not rare in practice. It is often the case where a patentee hopes or wants to outline the technical features as broad as possible to make it easy for an allegedly infringing technical solution to fall within the extent of protection of the relevant patent while an alleged infringer seeks to divide a claim into technical features as detailed as possible to make it easy to find

differences in a comparison to be made. This shows that correct construction of technical features is of vital importance in dividing technical features of a claim.

Relevant regulatory documents do not make it clear how to define technical features, and views on it are varied in practice. For one view, the claims of a patent for a tangible product set forth the parts and structural relations therebetween; hence, the parts and structural relations therebetween naturally constitute the technical features of the product. For another, a technical feature is a technical unit or combination of technical units that has its independent function and has an independent technical effect on the whole technical solution. We have found, in our research, the second view introducing the function and use to make the determination more compatible with the essential character of the technical features. That is, a technical feature is designed to perform a certain technical function and produce or achieve a certain technical effect. Besides, the second view applies to both product and process claims. Theoretically, technical features are the minimum technical units of a whole technical solution. Following this standard, consistent results of division of technical features can be ensured, so it ensures reasonable follow-up comparison of technical solutions. Since some changes are likely to arise in an allegedly infringing technical solution or some technical units are integrated into a whole along with the technological developments, mechanically insisting that the minimum technical units are the subject matter of comparison would end up with erroneous conclusion from comparison that they are not identical, or not equivalent. Besides, one would possibly find in the comparison that two or more technical units that can perform a certain function in a claimed technical solution or allegedly infringing technical solution work together to achieve the same technical effect. Therefore, technical features should be divided by rationally determining the technical features of the compared units according to the specific circumstances of a patent and the allegedly infringing technical solution. Out of this consideration, Article 5 of the Guidelines provides: "A technical feature refers to a minimum technical unit or combination of units that can independently perform a certain technical function and achieve a relatively independent technical effect in the technical solution defined by a claim." In practice, to correctly and properly divide the technical features of a whole technical solution, the way of converse analysis is often made, that is, first understanding the object of invention and the technical effect of

the whole technical solution set forth in the claims of a patent and then dividing the various technical aspects for achieving the whole technical effect; the technical aspects should have relatively independent function and achieve correspondent technical effect; and finally the technical features are rationally divided or identified upon construction of the allegedly infringing technical solution.

II. Claim construction rules

Claim construction is one of the kernel issues in finding patent infringement, and a difficult point judges often encounter when hearing patent infringement cases. The ambiguity and limitation of language render it obviously impossible for the verbal expressions and technical terms in claims as accurate as a mathematic formula, and, thus, make it difficult for the public to see exactly the extent of protection of claims. Besides, with the constant technological developments and increase of ways of substitution by equivalents, some equivalent technical features should be incorporated in the extent of protection of a patent to effectively protect a patentee's legitimate rights and interests. Therefore, determination of the extent of protection of a patent would naturally involve how to construe the claims. Article 59, 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." To understand the provision, the Several Provisions on Issues Relating to Application of Law to Adjudication of Cases of Patent Disputes issued by the Supreme People's Court in 2001 (the Judicial Interpretation 2001) and the Judicial Interpretation 2009 have respectively set forth the relevant provisions. But there are still some matters in the judicial practice that require to be further addressed or clarified.

1. Circumstance requiring claim construction

In determining extent of protection, it is for a judge to construe the claims, which is an important rule in adjudicating cases of disputes arising from patent infringement, and the judge should do so from the perspective of a person of ordinary skill in the art. Such a person of ordinary skill in the art, however, is a "hypothetic person". It is necessary for an interested party to enable the judge, by way of adduced evidence and explanation, to make relatively rational and correct claim construction from the perspective of such an ordinarily skilled person. There could be a variety of issues in-

involved in claim construction due to so many ways to draft the claims and vastly different quality of the drafted claims. This being the case, under what circumstance may a judge make claim construction? Views are divided in practice. For one view, a judge construes the claims to understand the technical features or technical terms. For example, when technical features or technical terms of the claims are not clear and hard to understand, the judge may construe the claims according to the description, appended drawings, other documents and external evidence. If the technical features or technical terms are clear, he does not need to do so. We find the view wrong. Directed to the specific practical circumstances, Article 11 of the Guidelines provides: "The claims are construed in three forms: clarification, addition and revision in special situations, that is, when the technical matter outlined with a technical feature in the claims is not clear, make the meaning of the technical feature clear; when flaws rest with the construction of a technical feature in the claims, make up for the inadequacy of the technical feature; and in the presence of specific circumstances, such as contradictory technical features in the claims, revise the meaning of the technical feature."

We believe that though the claims are literally clear, a person of ordinary skill in the art often finds, upon reading the description and appended drawings, that the technical features or technical terms in a claim do not mean what they literally do, so clarification of them is necessary or required. In addition, in judicial practice, judges run into a variety of problems during claim construction. For example, even if a person of ordinary skill in the art has read the description and/or appended drawings, he still cannot clearly define the technical feature or technical term of the claims, or find the essential technical feature absent in an independent claim or the claims contradictory to the description and appended drawings, and the judge needs to make up for the inadequacy of the relevant technical feature to determine the meaning. In an extreme case, due to the quality problem resting with drafting patent document, specific circumstance would occur where contradictory technical features exist in the claims. A judge, constructing the claim in a normal way, would obviously fail to identify the extent of protection. In this case, to ensure the smooth proceedings, the judge needs to revise the meaning of the relevant technical feature.

In the past, a judge, when running into the last two circumstances, used to tell the allegedly infringer to address the matter in the patent invalidation proceedings, and sus-

pend the court hearing after the latter initiated the invalidation procedure, which caused a lot of suspended lawsuits. In recent years, being more experienced and proficient in adjudicating patent civil cases, and more familiar with the patentability provisions set forth in the related law and regulations and with the application thereof, judges are now equipped with the knowledge to find, and capability of finding, patentability in civil cases. To further improve the efficiency of adjudication of civil cases, judges would act flexibly in cases like this. Seeing the above issues with the claims of a patent and finding it difficult to properly define the extent of protection in a regular way of claim construction, or in case of failure, on the part of the allegedly infringer, to file an invalidation request upon explanation, a judge may make addition or revision to better determine the extent of protection according to the overall prior art, object of invention and technical effect of the patent in suit to ensure the smooth proceedings. If it is difficult to determine the above problems resting with the claims and the allegedly infringer files a request for invalidation, the court may suspend its hearing of the case.

2. Rules for construing means-plus-function technical features

Article 4 of the Judicial Interpretation 2009 sets forth, in principle, the provision on construction of means-plus-function technical features, namely, the contents of a means-plus-function technical feature should be determined according to the specific embodiments or the equivalents of the function or effect described in the description and appended drawings. Under this Article, a means-plus-function technical feature should be construed as specific embodiments or their equivalents described in the description. There are mainly two problems resting with the application of this Article: 1) absence of provision for the concept of means-plus-function technical feature, which easily renders the standard inconsistent in determining means-plus-function technical features; and 2) absence of specific rules for making the determination, which makes it not easily workable in practice. Regarding these, the Guidelines have set forth detailed provisions concerning the concept, method of judgment and standard of determination, in an effort to create a comprehensive determination system.

Article 16 of the Guidelines not only positively defines the concept and meaning or implication of the means-plus-function technical feature, but also reversely excludes two exceptions to the means-plus-function technical feature:

technical features, such as conductor or heat sink, which are expressed in terms of function or effect, but have become the technical features with technical terms widely known to a person of ordinary skill in the art; and technical features, which are expressed in terms of function or effect and, as well, in terms of features, such as corresponding structure, material or steps. These two categories of technical features, though closely related to means-plus-function technical feature, are not means-plus-function technical features in the judicial meaning as far as the technical features *per se* are concerned. Construing features of the kind as means-plus-function technical features would render conclusion obviously unfair to the rightholders.

Then, determining the structure or steps corresponding to the means-plus-function technical feature in the description also require further determining whether the structure and steps constitute the “features required” for performing said function. Article 17 of the Guidelines provides: “In determining the content of a means-plus-function technical feature, the means-plus-function technical feature shall be defined as the corresponding structural or step feature required to perform said function and/or achieve said effect in the description”. In other words, not all structural or step features relevant to the function and/or effect, but only those required for performing said function or achieving said effect can define the means-plus-function technical feature.

Finally, according to the rules for determining means-plus-function technical feature infringement, if the corresponding technical feature of the allegedly infringing technical solution is identical with the structural or step features required for achieving said means-plus-function technical feature, literal infringement should be determined; if they are equivalent, it is an infringement by equivalents. Articles 39 and 54 of the Guidelines have respectively set forth provisions along the line.

3. Feature of environment of use

By a feature of environment of use is meant a technical feature used in the claims to describe the background or condition in which a described invention is used. Sometimes, a technical solution that can achieve the object of an invention does not include the feature of environment of use, but the claims of the patent clearly set forth said feature of environment of use, and the allegedly infringing product possibly includes only the technical feature that achieves the object of invention, not the feature of environment of use. In case like this, how to treat the feature of environment of use in claim

construction seems very important. A patentee drafts a feature of environment of use mainly for two reasons: making amendment for the claimed technical solution to be patentable in terms of novelty and inventive step; and the results caused by the patent applicant's filing divisional applications as the examiner so requires. In the judicial practice, there are two views on how to construe feature of environment of use in the claims. For one view, a feature of environment of use only describes the environment in which the technical solution defined in the claims is used, and it is not a constituent of the claims, so not an essential technical feature of the claims, and can be viewed as a non-essential technical feature, which is not considered when applying the redundant designation doctrine in determining the extent of protection. For the other view, the technical features, put in the independent claim are all essential technical features, should not be disregarded, and should be compared as technical features. An allegedly infringing technical solution lacking the feature of environment of use does not constitute an infringement. There are practical cases behind the two views, which show inconsistent enforcement standards as to how to construe means-plus-function technical features in judicial practice.

We find the above two views unreasonable. For the first view, the Supreme People's Court has denied the application of the redundant designation doctrine, and the second view, which requires that all allegedly infringing technical solutions absolutely include all the technical features of the claims, is too mechanic or rigid, and detrimental to the legitimate rights and interests of patentees. For us, features of environment of use should be treated differently. Article 8 of the Guidelines sets forth the entirety (all technical features) doctrine for claim construction, that is, the technical contents expressed with all the technical features presented in the claims should be treated as a whole technical solution; the technical features outlined in the preamble portion and those in the feature portion of the claims, alike in function in defining the extent of protection, should be treated equally and their weight should not be considered differently. To this end, a feature of environment of use set forth in an independent claim should be deemed to be an essential technical feature. Meanwhile, a technical solution defined in the claims to achieve the object of invention is also closely related to the feature of environment of use, and said technical solution must work together with the latter to play its normal role, perform its function and achieve its effect. Therefore, Articles 22 and 23 of

the Guidelines provide: "A feature of environment of use set forth in the claims is an essential technical feature, defining the extent of protection of a patent. An allegedly infringing technical solution that applies to the environment of use mentioned in product claims should be held having the feature of environment of use mentioned in the claims, not taking the actual use of said feature of environment in the allegedly infringing technical solution as the pre-condition".

III. Application of equivalent doctrine

Application of the equivalent doctrine, for years, has been a hot and hard issue in patent adjudication practice for these reasons. On the one hand, some judges understand the rules for the application of the equivalent doctrine differently, so apply the equivalent doctrine too loosely; on the other, conceptual misunderstandings exist with regard to the limitation of the equivalent doctrine, for example, in application of the estoppel doctrine and donation doctrine.

1. "Three-substantial" rule for determining equivalent doctrine

The Supreme People's Court defines the equivalent doctrine in the Judicial Interpretation 2001 as meaning that an equivalent feature must have two conditions: 1) technical features in the claims use substantially identical means, perform substantially identical function, and achieve substantially identical effect; and 2) a person of ordinary skill in the art can envisage it without undue burden, namely obviousness. The "three-substantial" provision is of extraordinary importance for the patent adjudication practice in China. However, since it is only one set forth in the Judicial Interpretation in principle, very often in practice, simplistic, mechanic application of the principle has found too many infringements by equivalents. It is a common case that, when a literal infringement is not found, infringement by equivalents is found by directly applying the provision of the Judicial Interpretation, without seriously analysing the specific condition for applying the three-substantial provisions, and without requiring the patentee to adduce evidence.

For us, application of the equivalent doctrine is very similar, in principle, to the determination of inventive step in patent right grant and affirmation cases as both involve comparison of technical features and determination of obviousness from the perspective a person of ordinary skill in the art. For this reason, the equivalent doctrine should be applied in a very prudent manner. In this regard, detailed provi-

sions for the application of equivalent doctrine have been set forth in twenty articles and paragraphs in the Guidelines in an attempt to give judges a rational guide in their application of the equivalent doctrine in practice.

Primarily, determination of substantially identical means is a start point for the application of the equivalent doctrine, and the significance is self-evident. Article 44 of the Guidelines provides that “substantially identical means” generally refers to technical features that are commonly used in substitution in the art to which the patent belongs before the date of the accused infringement and technical features substantially identical in terms of work or operation principle. This generalisation or outlining basically covers most circumstances of substitution by equivalents. Practices are varied in whether to treat technical features that emerge after the date of filing and are dissimilar to the technical feature of the patent in work or operation principle as equivalent features. We believe that in case like this, not treating, as equivalents, substituting features that a person of ordinary skill in the art easily envisage before the date of the accused infringement would cause results unfair to patentees. Therefore, to balance the interests of patentees and those of the public, it is possible to find the technical features of the kind substantially identical means.

Secondarily, “function” and “effect” normally logically correspond to “means”, but identical “means” does not necessarily imply substantially identical “function” and “effect”. Under some circumstances, a technical means seems to be common in its art, but it has an entirely different function and produces an entirely different effect when combined with other technical means in a whole technical solution, so further determination should be made as to whether “function” and “effect” are identical, and the “effect” needs to be specially highlighted. It is well known that technical effect is a very important factor to be considered. If a technical solution produces an unexpected technical effect, it is often found to be a different technical solution. Likewise, in applying the equivalent doctrine, if the substituting means in an allegedly infringing technical solution produces an unexpected technical effect compared with the corresponding technical features in the claims of the patent in suit, normally it should not be found equivalent for the simple reason that the substituting means is likely to cause the technical solution to be substantially different from the patent in suit, so naturally does not constitute an infringement by equivalents. Conversely, if the substituting means renders an allegedly infringing tech-

nical solution obviously inferior to a patented technical solution, it is not a “substantially identical effect”, nor does it constitute infringement by equivalents.

Finally, as for “envisaging without undue burden”, namely determination of obviousness, it requires no elaboration as very detailed provisions have been set forth in the part in relation to determination of inventive step in the Guidelines for Patent Examination prepared by the State Intellectual Property Office (SIPO).

2. Limitation on equivalent doctrine

Application of the equivalent doctrine broadens the extent of protection of a patent, and accords patentees sufficient protection of their legitimate rights and interests. Any right, however, has its bounds, and unlimited application would cause detriment to the public interests. For this reason, Articles 5 and 6 of the Supreme People’s Court’s Judicial Interpretation 2009 have respectively provided for the “donation doctrine” and “estoppel doctrine” to limit the application of the equivalent doctrine.

In the adjudication practice, we find, in some cases, that several equivalent features exist in the claims of an involved patent and the allegedly infringing technical solution, and with the combination of the equivalent features, the allegedly infringing technical solution is likely to be considerably different from the claims of the patent. With reference to the part on Determination of Notable Progress” in Chapter 4 of Part II of the Guidelines for Patent Examination, the Guidelines provides that if combination of several equivalent features causes an allegedly infringing technical solution to be a technical solution substantially different from the claims in terms of conception, or the allegedly infringing technical solution produces an unexpected technical effect, it is generally undue to find infringing by equivalents. In the above two situations, the allegedly infringing technical solution has reached the height of inventiveness compared with the patent in suit, and should not be found infringing.

According to the proceeding provisions, application of the equivalent doctrine may be closely related to assessment of inventive step. Adopting the same standard and process of determination will prevent technical solutions involving inventive step from being included as equivalents, or technical solution of no substantial change from being excluded as such.

IV. Determination of extent of protection of designs and finding of infringement

Since determination of identical or similar designs is, to a certain degree, subjective, it is very common for different observers to draw varied conclusions with regard to design patents and allegedly infringing designs. To ensure consistent enforcement standard, the Supreme People's Court's Judicial Interpretation 2009 sets forth provisions in relation to the extent of protection of design patents, determination of identical or similar class of products, concept of average consumers, and the standard of "global observation and comprehensive determination" for finding identical or similar designs. These provisions are of great positive significance for making, to a certain extent, similar design determination objective and the benchmark of enforcement consistent.

In practice, judges often compare the drawings of a design in patent document with allegedly infringing designs or the photographs thereof, that is, make the determination of identical or similar designs upon one-to-one comparison. While they try to make the determination from the perspective of average consumers with the method of "global observation and comprehensive determination", judges, different from one another in experience and understanding, are quite likely to make different conclusions for the reason that they, lacking the common understanding or knowledge of the design incorporated in a product involved, make determination still as judges, not as average consumers. Besides, in finding similar designs, lack of the common understanding or knowledge of the design incorporated in a product involved would make it difficult to correctly identify the design features that render the patented design different from those of the prior or existing design, and those that are in the existing design. This would make similar design determination more subjective.

Rule 28 of the Implementing Regulations of the Patent Law makes it clear that the brief explanation of a design should specify the "main elements of a design" and describe the main inventive parts of a design. Therefore, we believe that in determining a design, more attention should be paid to the specified main elements of it. Where there are no main elements of a design a patentee may submit evidence in relation to the development of, and change in, the patented design to prove the main elements of the design, and the defendant may present evidence to the contrary to rebut. Furthermore, to help judges to see things from the perspec-

tive of "average consumers", Article 77, paragraph four, of the Guidelines provides: "The knowledge level and cognitive ability of average consumers of a product incorporating a design shall be specifically defined in direction to the specific product incorporating the design and with account taken of the process of the developments of the design of said product before the date of filing." Accordingly, both parties may present relevant evidence to prove the knowledge level and cognitive ability of average consumers to enable judges to decide the case in the eyes of average consumers. Anyway, in litigation, judges should actively lead both parties to adduce sufficient evidence. On the one hand, evidence should be produced to show the basic state of the process of developments of the design of said product in suit, and, on the other, evidence is adduced to prove the main elements of the product design to enable them to make decisions as objectively as possible and their intuition in handling the case in an open manner.

V. Indirect infringement

Indirect infringement has long been a contravercial issue in the judicial practice of patent-related civil case. The Provisions 2001 once set forth detailed provisions, which were positively significant to punish acts of instigating infringement by providing special parts or equipment for infringing others' patent rights. Since indirect infringement has been considerably contravercial and views are divided on the conception and implication of indirect infringement in the practice community, the matter of indirect infringement is excluded from the Patent Law by the legislative body. From years of judicial practice, we have concluded that the provisions on joint infringement in the General Principles of the Civil Law and the Tort Liability Law can regulate some acts of indirect infringement. For this matter, Article 108 of the Guidelines provides: "A person providing, selling or importing material, special equipment or parts specifically for exploiting another party's product patent, or providing, selling or importing material, special equipment or parts specifically for exploiting another party's process patent constitutes joint infringement with the exploiter of the patent." This provision avoids introducing any new concept to impact the current tort or infringement liability legal system and causing confusion in practice, and, as well, addresses part of the indirect infringement issue to effectively safeguard the legitimate rights and interests of patentees.

It needs to be pointed out that since an indirect infringer does not perform the whole infringement of another party's patent or he only provides special material, parts or equipment for another party to infringe, if a direct infringer infringes under Article 11, paragraph one, of the Patent Law, it is possible to regulate the actor's infringement under the above provision of the Guidelines. If the direct infringer's use is for non-business purposes, or his act is not deemed to be infringing under Article 69 of the Patent Law, it is not joint infringement, and it is hard to penalise him under the provision. To thoroughly address the indirect infringement issue, it is necessary, on the one hand, for a patentee to improve the quality of his drafted patent, and, on the other, to revise the relevant provisions of the Patent Law to expressly provide that indirect infringement is patent infringing.

VI. Other revisions

The Provisions 2001 set forth special provisions in relation to redundant designation doctrine and passing off as others' patents. The provisions for the former were set forth by considering the fact that the Patent Law was in force for a short time only in China, and the patent attorneys, not proficient in drafting patent documents, were easy to incorporate non-essential technical features in an independent claim. In this situation, if the all-technical feature doctrine was stringently applied, it would be difficult to prevent an infringing

actor from intentionally deleting the non-essential technical features to exploit a patent. To date, however, with the Patent Law being in force for nearly three decades, patent attorneys have greatly improved their ability and proficiency in their patent agency activities, and the quality of patent documents they draft has been notably improved. In case like this, continued application of the redundant designation doctrine would unilaterally highlight the right of inventors and make the extent of protection uncertain, which is unfair to the general public, and inconducive to improving the proficiency of patent attorneys and to the promotion of the development the patent agency industry. Therefore, provisions along the line have been deleted in response to the new situation.

Passing off as others' patents is a patent infringement in its broad sense. Since the Patent Infringement Adjudication Guidelines is designed mainly to regulate patent infringement in its narrow sense, that is, infringement under Article 11 of the Patent Law, incorporating passing off as others' patents in the Patent Infringement Adjudication Guidelines would ruin the entire organisation, and be practically meaningless. The part of provisions in this regard has also been deleted. ■

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