

Probe into Intervening Rights in Patent Infringement Defense

Yao Jianjun

I. The Connotation of intervening rights

“Intervening rights” is a concept borrowed from “prior user rights”. Article 75 of the China’s Patent Law implemented on 1 June 2021 stipulates several circumstances that shall not be deemed as infringement of patent rights, and subparagraph (2) of paragraph 1 thereof reads: “Where, before the date of filing of the application for patent, any person who has already made an identical product, used an identical process, made necessary preparations for making or using the product, or continues to make or use the product only within the original scope”, which are actually depicting the circumstances referred to by the industry as “prior user rights”. The “prior” in “prior user rights” indicates that the party claiming the prior user rights has already attained the claimed technology prior to the date when it filed a patent application, only that it did not file an application for patent previously. It will obviously be unfair if the party is found liable for patent infringement on the basis of a belatedly filed patent application. And to uphold the doctrine of equity, the defense of prior user rights was designed.

After a patent infringement lawsuit is filed, the defendant would usually initiate the patent invalidation proceedings. In some cases, the patent holder may make amendment to the claims to protect its patent right from the invalidation petitioner’s attack. In the event that the amendment leads to a new claim and such a new claim is used as the basis of rights for the infringement litigation, where the defendant has the rights to make defense on the grounds that

its accused infringing act occurs subsequent to the date of filing the patent application and prior to the date of the new claim amendment, such rights are termed “intervening rights”, as relative to “prior user rights”. And it can be seen that the word “intervening” in “intervening rights” refers to “intervening” during the period subsequent to the date of filing the patent application and prior to the date of submitting the claim amendment in the invalidation proceedings.

II. Reissued patents in U.S. Patent Act

35 U.S. Code § 252 provides for the legal effect of a reissued patent. A “reissued patent” refers to a patent that is re-granted in respect of an issued U.S. patent after the patent holder, upon approval, makes amendment on its own initiative to the patent application. “The reissued patent system of the U.S. is considered a mechanism for rescuing the validity of a patent, by providing the patent holder a way for amending the patent application, provided that the claims meet the requirements of 35 U.S. Code § 112(a) and are supported by the specification. It also allows the patent holder to add to its patent a new claim particularly addressing competitors’ products.”¹

35 U.S. Code § 252 consists of two paragraphs. The first paragraph comprises principle provisions², to the effect that after the issue of the reissued patent, the amended claims, if “substantially identical” to the original patent, shall have effect dating back to the date of announcing the grant of the original patent; and the second paragraph comprises exception provisions³, to the effect that if the re-

別界定的觀點，詳見劉國偉“關於無效程序中修改權利要求若干問題的研究”一文，該文發表在《中國專利與商標》2004年第2期。

⁶ 美國專利制度中的“reissue”，也有再次公示的含義。

⁷ 權利要求書的佈局是指在權利要求書中，如何安排獨立權利要求和從屬權利要求的配合關係，還包括並列獨立權利要求的個數等

等。權利要求書的撰寫要具有前瞻的佈局意識，如分層次保護意識、假想敵意識、便於行使權利意識等。

⁸ 只是對分案申請提出的時點作出限制，即限制在母案申請尚未審查結束之前提出。

sued patent does not satisfy the requirement that the amended claims are “substantially identical” to the original patent, the amended claims shall take effect from the date of the grant of the reissued patent only, instead of the date of announcing the grant of the original patent. The exception provisions above depict what is referred to as “intervening rights” in the U.S. patent practice. Although the term is translated into Chinese literally by some people as “介入權”, this article will use the translation of “中用權” instead, as an echo to the concept of “先用權” (prior user rights).

While it is easy to understand that a reissued patent shall have effect dating back to the date of announcing the grant of the original patent, as provided for in the said first paragraph, because the amended claims are “substantially identical” to the original patent, meaning there is no substantial changes to the scope of protection conferred on the claims and as such retrospective effect is surely applicable. What is worthy of exploration is: if there are no substantial amendments involved, why does the patent holder want to initiate the reissue procedure? From the perspective of the Chinese patent practice, this is seen as a remedial measure for the patent holder to correct obvious drafting errors. Allowing the patent holder to make voluntary amendment to obvious clerical, typographical errors, or inaccurate, non-standard terms in the application documents through the reissue procedure, as long as no new content is added, effectively embodies an “applicant-friendly” approach.

As for the provisions on “intervening rights” in the said second paragraph, the premise for the application of the rights is that the scope of protection of the amended claims has changed as compared with that of the original patent. In other words, insofar as the “substantial identicalness” between the amended claims and the original patent is not satisfied, there is room for the application of intervening rights.

And what comes next as the key issue for discussion will be: how to judge whether the amended claims are “substantially identical” to the original patent. Generally speaking, under the two circumstances below, the amended claims and the original patent are considered as not “substantially identical”:

1 The scope of protection has changed, comparing the amended claims with the claims before amendment;

1.1 The scope of protection has broadened, comparing the amended claims with the claims before amendment;⁴

1.2 The scope of protection has narrowed, comparing

the amended claims with the claims before amendment;

2 A technical feature not found in the claims of the original patent is added to the amended claims.

While it is justifiable to apply “intervening rights” where the scope of protection of the amended claims has broadened, there is no clear answer from the U.S. Patent Act as regards the considerations behind the applicability of “intervening rights” where the scope of protection of the amended claims has narrowed, which is also an issue worthy of reflection.

III. The need for adopting intervening rights defense in China

1. Restriction on claim amendment is obligatory for the fulfillment of the public notice function of granted patent

“Disclosure in exchange for protection” is the fundamental design of the patent system, wherein “disclosure” is achieved by means of the textual contents of the description, while the duty of “protection” rests on the claims. After the grant of a patent for invention or utility model, the public has the legal obligation of “without the authorization of the patent holder, not exploiting the patent, that is, not making, using, offering to sell, selling or importing the patented product, or using the patented process, and using, offering to sell, selling or importing the product directly realized by the patented process, for production or business purposes.” Whether the patent is “exploited” is judged on the basis of the claims; in other words, it is the technical solutions embodied in the claims that are legally protected. Consequently, the claims of a granted patent shoulder the public notice obligation. “Public notice” here has two layers of meaning: first, a solution which has not been granted and announced by the patent examination authority is not yet eligible for legal protection, thus not empowered with an exclusive right; second, granted and announced claims, except under individual circumstances, shall not be amended arbitrarily. The patent systems of various countries all have provisions restricting amendment to granted and announced claims.

2. Changes in Chinese provisions on claim amendment in invalidation proceedings

On 28 February 2017, the State Intellectual Property Office (which was renamed as China National Intellectual Property Administration) released the Decision on Amending the Guidelines for Patent Examination. The amended

guidelines did not make any changes to the provisions on the principles of claim amendment, which read as:

“Any amendment to the patent documents of a patent for invention or utility model shall be limited to the claims only, and shall follow the following principles:

(1) the title of the subject matter of a claim cannot be changed;

(2) the scope of protection of the original patent cannot be extended as compared with that in the granted patent;

(3) the amendment shall not go beyond the scope of disclosure contained in the original description and claims; and

(4) addition of technical features not included in the claims as granted is generally not allowed.”

And adjustment was however made to the provisions in Part IV, Chapter Three, Section 4.6.2 of the Guidelines for Patent Examination by stipulating the specific manners of amendment to the claims as “generally limited to deletion of a claim, deletion of a technical solution, further limitation of a claim, and correction of an obvious error”, wherein “further limitation of a claim means incorporating into a claim one or more technical features recited in other claims so as to narrow down the scope of protection”. The fundamental change brought by the amendment lies in the substitution of “further limitation of a claim” for “combination of claims”. “Combination of claims means that two or more claims dependent on a same independent claim and having no relation of dependency are combined together”.

What is worth noting is that the restrictive requirements on “combination of claims” are clearly stated, namely, the “combination of two or more claims” dependent on “a same independent claim and having no relation of dependency”, but “further limitation of a claim” relaxes such restrictive requirements, and “one or more technical features” in any claim can be re-combined into a new claim.

3. The amendment by “further limitation of a claim” falls short of the public’s expectation for reasonable stability of claims

Once a patent is granted and announced, the patent as a published exclusive right will inevitably have an impact on public interests, and the public shall not, without authorization, exploit any technical solution that falls within the scope of protection of the claims. The scope of protection defined by the claims can be understood as a “private territory” of the patent holder. And the public can clearly identify such “private territory” through the granted and an-

nounced claims, and have the right to do further research and development or design around the claims on the basis of the technical solutions embodied in the claims. In other words, the public notice obligation of the claims also reflects the public’s expectation for a patent’s reasonable predictability in terms of its scope of protection.

Needless to say, it is unrealistic and harsh to demand the granted claims to be free from flaw. This explains why the patent law endows the patent holder with the right to amend the claims during the invalidation proceedings. Notwithstanding this, the public’s expectation for a reasonable stability of the claims is still a factor that cannot be ignored. Hence, whatever the considerations behind, the making of provisions on the manners of claim amendment should seriously cherish the public’s expectation for the reasonable stability of the claims.

Regrettably, it is not too difficult to find that the amendment by “further limitation of a claim” indeed falls short of the public’s expectation for the reasonable stability of the claims. In the following we will extend the discussion about this issue by means of an example comprising hypothetical amendments to the claims.

(1) A device characterized by comprising a feature A.

(2) The device according to claim 1, characterized by further comprising features B, C and D.

(3) The device according to claim 1, characterized by further comprising features E, F and G.

(4) The device according to claim 1, characterized by further comprising features H, I and J.

(5) The device according to claim 1, characterized by further comprising features K, L and M.

(6) The device according to claim 1, characterized by further comprising features O, P and Q.

According to the amendment by “further limitation of a claim”, the features B, C, D, E, F, G, H, I, J, K, L, M, O, P and Q in the dependent claims of the above device claims may be arbitrarily permuted and combined with any one of the claims to form new claims, which can result in thousands of new claims that all meet the condition of “the scope of protection has been narrowed down”. Even if leaving aside the issue of whether the solutions of these amended claims are expressly recited in the original description, it is just asking the impossible if we expect the public, in the presence of such massive new claims, to foretell what amendments are going to be made by the patent holder.

The author believes that for the concern of logical con-

sistency, no manners of claim amendment should contradict the principles of claim amendment. Thus, the amendment by “further limitation of a claim” should also satisfy the principles of claim amendment as stipulated in the Guidelines for Patent Examination and subject itself to the test of the principles of claim amendment.

First, in respect of the amendment principle that “the scope of protection of the original patent cannot be broadened as compared with that of the granted claims”, we will examine whether the amendments in the above example may give rise to the broadening of the scope of protection of the original patent.

In the above example, the granted claims consist of six claims, which define their scopes of protection respectively. Thus, the scope of protection of the original patent is embodied through the six independent scopes of protection⁵. Suppose the patent holder moves the features B and C in the original claim 2 to the original claim 1 to form a claim 1’: “1’. A device characterized by comprising features A, B and C”. In comparison with claim 1 of the original patent, the scope of protection of claim 1’ is narrowed down due to the addition of features B and C.

We will then address the principle that “the amendment shall not go beyond the scope of disclosure contained in the original description and claims”, and continue to examine whether claim 1’ falls within the scope of disclosure contained in the original description. If the solution “comprising features A, B and C” is recited in the description, but not written into the original claims, the public have reasons to believe, according to the doctrine of public notice of the claims, that the solution “comprising features A, B and C” is already disclosed. Especially when the public have exploited the solution “comprising features A, B and C” based on the judgment that the original claim 1 encompasses too broad a scope of protection to be inventive, allowing such an amendment by the patent holder would constitute a “raid” of the claims.

The above claims, despite being a hypothetical example, have clearly alerted us that allowing the patent holder to make claim amendment through “further limitation of a claim” will, on the one hand, maximally facilitate the patent holder’s arbitrary amendments to the claims, and, on the other hand, seriously undermine the public notice function of the claims and disrupt the public’s reasonable expectation with respect to claim amendment, thus upsetting the patent system as a “delicate instrument” for balancing the

patent holder’s legitimate rights and interests and the public interest.

4. A right time for the introduction of intervening rights defense

As stated in the above analysis, the amendment by “further limitation of a claim” has obviously fallen short of the public’s expectation for the reasonable stability of the claims. This article does not intend to judge the above-cited provisions in the Guidelines for Patent Examination, but instead would like to target at finding the ways to effectively counteract the “imbalance of interests” while accepting the amendment manner of “further limitation of a claim”. In the opinion of the author, in practice, where the patent holder has amended a claim by means of “further limitation of a claim” in the invalidation proceedings, the defendant’s invocation of intervening rights as a defense in respect of the amended claim in the patent infringement proceedings may be accepted by the people’s court.

What needs to be emphasized is that the introduction of intervening rights defense has legal legitimacy. Conceptually, intervening rights are basically the same as prior user rights. It is just that prior user rights must arise prior to the date of filing of the pertinent patent application, whereas intervening rights must arise prior to the date of claim amendment in the invalidation proceedings. If we have allowed the normal, reasonable expectation for claim amendment in the invalidation proceedings to be disrupted by the amendment manner of “further limitation of a claim”, the introduction of intervening rights defense, considering its intention behind is purely for the restoration of the imbalance of interests caused by the manner of claim amendment, may as well be regarded as a remedy in line with the basic philosophy of the patent law. And such doing is not without precedents in the Chinese judicial practice. Before the third revision of the Patent Law in 2008, prior art defense has been generally accepted by the Chinese courts, which has actually become the force facilitating the incorporation of “prior art defense” into Article 62 of the Patent Law in the revision.

IV. Suggestions on relevant issues after the introduction of intervening rights defense

For the purpose of coping with the claims amended by way of “further limitation of a claim” in the invalidation pro-

ceedings, this article, drawing on the U.S. practice of incorporating intervening rights into reissue proceedings, puts forward that it is sensible and legitimate to introduce intervening rights defense into the infringement proceedings in Chinese judicial practice. As a saying goes, better late than never. Meanwhile, examination procedures should be further improved, and the existing Guidelines for Patent Examination may be amended for the sake of improvement.

First, it is hoped that the patent examination authority would pay special attention to the imbalance of interests brought by the amendment manner of “further limitation of a claim”, and clearly stipulate that the claim amended in said manner “takes effect from the date when the amended texts are accepted”. It is particularly noteworthy that the China’s Patent Law sets no limitations on the number of times admissible for claim amendment in the invalidation proceedings. Therefore, to maintain the public notice function of the claims, the amended claim shall not be deemed as having legal effect “initially”, but as “coming into force from the date when the amended texts are accepted”, and shall be published again in the Patent Gazette ⁶.

Furthermore, instead of relaxing restrictions on claim amendment in the invalidation proceedings, it would be better to lift the restrictions on divisional applications during patent prosecution. As a matter of fact, a divisional application is not just a sole product resulting from an application’s failure to satisfy the requirements on unity of invention, but a legitimate means available to the innovator for sensible deployment of its claims portfolio. The divisional application is carved from an earlier application (i.e., the parent application), and inherits the entire “genes” of its parent application, thus fully in line with the first-to-file principle. The main reason for the applicant to file one or more divisional applications from a parent application is that it is next to impossible to complete the deployment of the claims ⁷ within the parent application at one time. Thus, after filing the parent application, the innovator may, in the course of patent prosecution and for the reasons of gradual clarification of the situation regarding market competition and demands, take time to file a market-based divisional application, thereby affording itself an opportunity to make a secondary deployment of its claims portfolio to cope with the changes in market competition and demands. Hence, for the purpose of encouraging and protecting innovations, most countries impose no restrictions on the filing of divisional applications ⁸. This article proposes that as an issue of top priority, the CNI-

PA should promptly modify the examination policy that a divisional application can be filed only when an application is pointed out in the office action as having a unity defect, and duly appreciate that the filing of a divisional application is just a way of the applicant’s disposal of its intellectual property rights, which will not affect the public interest and the orderly operation of patent examination work. After all, a divisional application has to go through the processes of publication, substantive examination, and publication in the patent gazette at grant. Moreover, during substantive examination, the public are provided with the opportunity to voice their opinions about the application, and after the grant of patent, entities or individuals have the right to file invalidation requests against the application. In light of the above, the public should find the claims of the divisional applications far surpassing, in terms of predictability, the “raid” of claims afforded by the amendment through “further limitation of a claim” in the invalidation proceedings. ■

The author’s affiliate: Xi’an Intermediate People’s Court of Shaanxi Province

¹ Li Xuying. Analysis of U.S. reissue procedure (p. 4). China Intellectual Property News, posted on 24 March 2017.

² Paragraph 1 of 35 U.S. Code § 252 reads: “The surrender of the original patent shall take effect upon the issue of the reissued patent, and every reissued patent shall have the same effect and operation in law, on the trial of actions for causes thereafter arising, as if the same had been originally granted in such amended form, but in so far as the claims of the original and reissued patents are substantially identical, such surrender shall not affect any action then pending nor abate any cause of action then existing, and the reissued patent, to the extent that its claims are substantially identical with the original patent, shall constitute a continuation thereof and have effect continuously from the date of the original patent”.

³ Paragraph 2 of 35 U.S. Code § 252 reads: “A reissued patent shall not abridge or affect the right of any person or that person’s successors in business who, prior to the grant of a reissue, made, purchased, offered to sell, or used within the United States, or imported into the United States, anything patented by the reissued patent, to continue the use of, to offer to sell, or to sell to others to be used, offered for sale, or sold, the specific thing so made, purchased, offered for sale, used, or imported unless the making, using, offering for sale, or selling of such thing infringes a valid claim of the reissued patent which was in the original patent”.

⁴ For amendments which broaden the scope of protection of claims, the USPTO requires that a reissued patent must be filed “within two years after the grant of patent”.

⁵ “The scope of protection of the original patent” is delimited by every claim in the claim set. Liu Guowei (2004). On several issues of claim amendment in invalidation procedure. *China Patents & Trademarks*, 2.

⁶ The term “reissue” in the U.S. patent system also carries the implication of “republification”.

⁷ “Deployment of the claims” refers to the arrangement of the coordi-

nating relationship between the independent and dependent claims, including, among other things, the number of parallel independent claims. The drafting of the claims should reflect conscious forward-looking deployment in such aspects as hierarchy of rights protection, hypothetical challenges to the rights, and ease of exercise of rights.

⁸ Restriction is imposed only on the time for filing a divisional application, i.e., the divisional application must be filed before the completion of the prosecution of the parent application.

國家知識產權局

《關於施行修改後專利法的相關審查業務處理暫行辦法》

第一條 專利申請人自 2021 年 6 月 1 日(含該日,下同)起,可以通過紙件或離線電子申請形式,依照修改後的專利法第二條第四款提交請求保護產品的局部的外觀設計專利申請。國家知識產權局將在新修改的專利法實施細則施行後對上述申請進行審查。

第二條 申請日為 2021 年 6 月 1 日後之專利申請,申請人認為存在修改後的專利法第二十四條第一項規定情形的,可以通過紙件形式提出請求。國家知識產權局將在新修改的專利法實施細則施行後對上述申請進行審查。

第三條 申請日為 2021 年 6 月 1 日後之外觀設計專利申請,申請人可以依照修改後的專利法第二十九條第二款提交請求外觀設計專利優先權的書面聲明。國家知識產權局將在新修改的專利法實施細則施行後對上述申請以及作為要求優先權基礎的在先外觀設計專利申請進行審查。

第四條 申請日為 2021 年 6 月 1 日後之專利申請,申請人可以依照修改後的專利法第三十條提交第一次提出的專利申請文件的副本。

第五條 對自 2021 年 6 月 1 日起公告授權的發明專利,專利權人可以依照修改後的專利法第四十二條第二款,自專利權授權公告之日起三個月內,通過紙件形式提出專利權期限補償請求,後續再按照國家知識產權局發出

的繳費通知繳納相關費用。國家知識產權局將在新修改的專利法實施細則施行後對上述請求進行審查。

第六條 專利權人自 2021 年 6 月 1 日起,可以依照修改後的專利法第四十二條第三款,自新藥上市許可請求獲得批准之日起三個月內,通過紙件形式提出專利權期限補償請求,後續再按照國家知識產權局發出的繳費通知要求繳納相關費用。國家知識產權局將在新修改的專利法實施細則施行後對上述申請進行審查。

第七條 自 2021 年 6 月 1 日起,專利權人可以依照修改後的專利法第五十條第一款,以紙件形式自願聲明對其專利實施開放許可。國家知識產權局將在新修改的專利法實施細則施行後對上述聲明進行審查。

第八條 自 2021 年 6 月 1 日起,被控侵權人可以依照修改後的專利法第六十六條,通過紙件形式請求國家知識產權局出具專利權評價報告。

第九條 自 2021 年 6 月 1 日起,國家知識產權局依照修改後的專利法第二十條第一款、專利法第二十五條第一款第(五)項對初步審查、實質審查和複審程序中的專利申請進行審查。

第十條 申請日為 2021 年 5 月 31 日(含該日)之前的外觀設計專利權的保護期限為十年,自申請日起算。

第十一條 本辦法自 2021 年 6 月 1 日起施行。■