



2024.04

QUARTERLY

# NEWSLETTER

PANAWELL INTELLECTUAL PROPERTY



Cover: Interior of office block where Panawell locates

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**NEWSLETTER**



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Panawell Intellectual Property, consisting of Panawell & Partners, LLC and Panawell & Partners Law Firm, provide full spectrum of services in all fields of intellectual property rights, such as patent, trademark, copyright, computer software, anti-unfair competition, trade secrets, custom protection, domain name, license, assignment, enforcement, administrative and civil litigation, IP consulting and management.

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## WIPO Releases Data on PCT International Applications, Madrid International Trademark Applications and Hague International Design Applications in 2023

On March 7, 2024, the WIPO released data on PCT international applications and Madrid trademarks and Hague designs for the year 2023

**PCT International Patents:** In 2023, the total number of PCT international applications reached 272,600, a decrease of 1.8% from the previous year. In 2023, China remained the largest source of PCT applications, with 69,610 applications, a slight decrease of 0.6 percent from the year before. This is the first year-on-year decline in filings in China since 2002. The United States ranked second with 55,678 filings, down 5.3 percent from 2022. Japan followed with 48,879 applications (-2.9%). Also rounding out the top five were South Korea and Germany, with 22,288 and 16,916 applications, respectively. South Korea's filings increased by 1.2% in 2023, while Germany's decline was 3.2%.

In 2023, among the top 15 countries, India (+44.6%) and Turkey (+8.5%) saw the fastest growth in PCT international filings. The number filed in India in 2023 increased by 44.6% from the previous year, which saw a growth rate of 25.9%. The other countries were the Netherlands (+5.8%), France (+2%) and South Korea (+1.2%).

China's Huawei Technologies Co., Ltd. continues to top the list in terms of PCT international filings, with 6,494 PCT international applications published in 2023. South Korea's Samsung Electronics came in second (3,924 applications), followed by Qualcomm of the United States (3,410), Japan's Mitsubishi Electric (2,152) and China's BOE Technology (1,988). Among the top 10 applicants, China's CATL saw the fastest growth, with 1,533 applications published in 2023, moving up 84 places to the eighth place.

**Madrid International Trademarks:** In 2023, the total number of the international trademark applications filed under the Madrid System was 64,200, a decrease of 7% from the previous year. Applicants from the United States (10,987) filed the highest number of international trademark applications, followed by applicants from Germany (6,613), China (5,473), France (4,267) and the United Kingdom (3,817).

Of the top 10 origins, only two countries, China (+7.7%) and South Korea (+2.9%), grew between 2022 and 2023. In contrast, Germany (-14%), Australia (-13.9%), Switzerland (-12.4%) and the United States (-11.8%) saw double-digit declines.

In 2023, L'Oréal France filed 199 Madrid applications, ranking first for the third consecutive year. Germany's BMW Group (124) rose 33 places to become the second, followed by Bulgaria's European Game Technology Company (118),

Germany's Boehringer Ingelheim International GmbH (110) and Switzerland's Novartis Group (110).

**Hague International Designs:** In 2023, the number of designs contained in international applications under the Hague System reached a record high of 25,343, a slight increase of 1% and the third consecutive year of growth. Germany remained the largest user of the international design system with 4,517 designs, followed by China (3,758), the United States (2,668), Switzerland (2,196) and Italy (1,817). Among the top 10 countries. China (+46.9%) and Turkey (+45.7%) achieved double-digit growth in 2023. The United States (+9.2%), Japan (+6.9%) and France (+4.7%) also posted strong growth in 2023.

South Korea's Samsung Electronics jumped to the top spot in filings with 544 designs in published applications, surpassing Procter & Gamble of the United States (525) in the previous year's top ranking (appendix 8). South Korea's LG Electronics and Germany's Porsche AG each have 352 designs, taking the third place, followed by China's Xiaomi Mobile Software Co., Ltd. with 315 designs.

*(Source: official website of WIPO)*

## CNIPA Releases Main IP Work Data in 2023

At the beginning of 2024, the National Conference of Heads of Intellectual Property Offices was held in Beijing. At the meeting, Shen Changyu, Commissioner of the China National Intellectual

Property Administration (CNIPA), summarized the main accomplishments made in the intellectual property work in 2023 in his work report:

1. The examination capability continues to be enhanced. In 2023, a total of 921,000 invention patents, 2,090,000 utility model patents, 638,000 design patents, 4,383,000 registered trademarks, and 11,300 registered integrated circuit layout designs were granted or approved. 13 geographical indication products were certified, 5,842 business entities were approved to use special geographical indications, and 201 collective trademarks and certification trademarks were approved to be registered with geographical indications. 73,812, 1,166 (in the previous 11 months), and 6,196 international applications for patents, and for designs and trademarks registration were filed respectively through the PCT, Hague and Madrid systems, ranking among the top in the world.

2. The examination time continues to be shortened. The average examination time for invention patents has been shortened to 16 months, and for the first time, the number of closed cases has exceeded the number of those entering the examinations. The average examination time for trademark registration is stable at 4 months, and the average trademark registration time at 7 months. The intelligent patent examination and search system was put into operation, and the trademark examination management system was continuously optimized and upgraded.

3. The administrative protection capability has been continuously improved. Concluded in the year were 10 administrative adjudication cases of major patent infringement disputes, and 65 cases of early resolution mechanism for drug patent infringement disputes. The whole system handled 14,000 patent dispute cases, a year-on-year increase of 50.1%.

4. Intellectual property financing developed steadily. The amount of national patent and trademark pledge financing reached 853.99 billion yuan, a year-on-year increase of 75.4%, benefiting 37,000 enterprises. The pilot project of open patent licensing has achieved remarkable results, with 17,000 open licenses reached. In 2022, the added value of patent-intensive industries reached 15.3 trillion yuan, accounting for 12.7% of GDP. In the first 11 months of 2023, the total import and export value of intellectual property royalties reached 334.5 billion yuan.

5. The intellectual property public service system continues its optimization. The number of WIPO Technology and Innovation Support Centers (TISCs), IP information public service outlets, and prefecture-level comprehensive service institutions increased to 151, 197, and 162, respectively. There are more than 80,000 intellectual property service institutions in China, employing nearly one million people, and delivering annual operational revenue of more than 270 billion yuan.

*(Source: official website of the CNIPA)*

## CNIPA Administrative Reconsideration Procedures (Draft for Comments) Released

To harmonize with the newly amended Administrative Reconsideration Law, which entered into force on January 1, 2024, the CNIPA Administrative Reconsideration Procedures will be adaptively amended. On February 7, 2024, the CNIPA released the CNIPA Administrative Reconsideration Procedures (Draft for Comments) and its amendment explanations to solicit opinions from all sectors of the society. The main dimensions or aspects of the ongoing amendment include, among: clarifying the principles, responsibilities and guarantees of reconsideration work, optimizing the procedures for accepting and adjudicating administrative reconsideration cases, strengthening the role of administrative reconsideration in resolving administrative disputes and supervising administration pursuant to the law, and improving the types and pre-scope of administrative reconsideration cases. The Draft lists the administrative acts that fall within the scope of administrative reconsideration and those that do not to provide clear guidance to applicants.

*(Source: official website of the CNIPA)*

## CNIPA Releases Questionnaires on Pushing XML Submissions

The CNIPA is considering stopping accepting forms in PDF and WORD format (including application and intermediate documents) and only accepting documents in XML format in the patent application process from January 1, 2025. To find out the patent agencies' XML submissions and relevant demands, the CNIPA has prepared the questionnaires, and arranged for the All-China Patent Attorneys Association to deliver, on February 27, 2024, to all its members to solicit comments and opinions from the industry.

*(Source: the All-China Patent Attorneys Association)*

## Principle of Infringement by Equivalent Applied in Galanz v. MeiG, an Invention Patent Infringement Case

Mr. Richard Yong Wang, Lawyer and Patent Attorney, Panawell & Partners

On October 7, 2023, the Supreme People's Court of China (SPC) rendered the (2022) Zui Gao Fa Zhi Min Final No. 1584 Judgment, revising the judgment on invention patent infringement in Guangdong Galanz Microwave Oven Electrical Appliance Manufacturing Co., Ltd. (Galanz) v. Zhongshan Meige Electronic Technology Co., Ltd. (MeiG), and revoked the Guangzhou Intellectual Property Court (2020) Yue 73 Zhi Min Chu No. 2237 Civil Judgment. The SPC ruled that MeiG immediately stop manufacturing and using the riveting cap mold that infringed Galanz's invention patent (No. 201510373341.8) entitled riveting the lid mold for riveting the upper cover of the magnetron, and destroy the riveting mold, and pay Galanz RMB 10 million yuan in compensation of the damages, and RMB 200,000 yuan for its reasonable enforcement expenses.

After the judgment was rendered, the case attracted widespread attention and heated discussions, not only because the amount of damages was relatively large (RMB 10 million yuan), but also because the case was heard in open court hearing by the SPC Intellectual Property Tribunal on April 26, the World Intellectual Property Day 2023, with CGTN, CCTV, Kuaishou and other media platforms all broadcast it live, causing extensive social influence and

effects. In the SPC judgment, how the principle of infringement by equivalent was applied in this case was explained in more detail, and the non-infringement judgment made by the court of first instance was overturned. This author believes that this case represents, to a certain extent, the SPC latest views on the determination of infringement by equivalent, and has a strong exemplary effect. Following is an analysis of the trial process of the case.

### Basic facts and Trial Process

In magnetron products, whether the magnetron cover, as a key component to prevent microwave leakage, can be closely connected with the shell to form a closed cavity importantly impact the efficiency and safety performance of the magnetron. Galanz enjoys the invention patent No. 201510373341.8 (the patent at issue), which solves the problem of the upper cover of the magnetron which is difficult to rivet, with a simple structure and good riveting effect.

Galanz purchased a brand of microwave oven on multiple online shopping platforms, and the magnetrons used in it were all made by MeiG. Galanz alleged that MeiG had manufactured and used a large number of riveting cap molds that infringed its patent rights at issue to make magnetrons without permission, and sued in the Guangzhou Intellectual Property Court, requesting that MeiG be ordered to immediately stop manufacturing and using the allegedly infringing

riveting cover molds, destroy the infringing products in use and inventory, and destroy the special equipment and molds for manufacturing the infringing products, and pay RMB 10 million yuan for the damages, and RMB 200,000 yuan for the reasonable enforcement expenses. After trial, the court of first instance concluded that the technical solution used in the allegedly infringing product did not fall within the protection scope of the patent at issue, and MeiG did not infringe Galanz's patent involved in the case, and rejected all Galanz's claims. Dissatisfied with the first-instance judgment, Galanz appealed the case to the SPC.

In the course of the first and second instance of the case, whether the riveting mold manufactured and used by MeiG was identical with, or equivalent to, the technical features stated in the claims of the patent at issue was the key to the dispute in this case. In order to avoid unnecessarily blurring the focus of this article, this author will not repeat the facts confirmed by both parties in the first and second instances, including the technical solutions.

In this case, the technical features in dispute in claims 1 and 2 which Galanz claimed were "the top of the wrestling arm (4) and the side force arm (5) are respectively connected to the power tooling through a transmission rod (3)" and "the upper power tooling (1) is connected to the wrestling arm (4) through a transmission rod (3), and the lower power tooling (2) is connected to the side force arm (5) through a transmission rod (3)" (hereinafter referred to as the transmission rod-related feature)

in claim 1 at issue. In view of the above-mentioned disputed technical features, Galanz claimed that the allegedly infringing technical solution had technical features equivalent to the features relating to the transmission rod, which fell within the protection scope of the patent at issue. MeiG argued that the allegedly infringing product did not have a transmission rod, nor did it have the connection relationship and position relationship between each component and the transmission rod, and the various methods and effects of the two were different, so they were not the equivalent means of substitution.

The following is an analysis of the principles and provisions involved in the determination of patent infringement in this case, especially those related to infringement by equivalent, on the basis of the trial process of the first and second instances.

## **I. Principle of Comprehensive Coverage and Equivalence**

Article 59.1 of the Chinese Patent Law stipulates that "the scope of protection of a patent right for invention or utility model shall be subject to the content of its claims, and the description and drawings may be used to explain the content of the claims" (the Patent Law as amended in 2008 applied in this case). Article 2 of the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Patent Infringement Dispute Cases stipulates that "the people's court shall, on the basis of the statements in, and the understanding of, the claims



by a person skilled in the art after reading the description and drawings, determine the content of the claims provided for Article 59.1 of the Chinese Patent Law", and Article 7 stipulates that "the people's court shall determine whether the allegedly infringing technical solution falls within the scope of protection of the patent right, All the technical features stated in the claims asserted by the right holder shall be examined. If the allegedly infringing technical solution contains technical features that are identical with, or equivalent to, all the technical features in the claims, the people's court shall determine that it falls within the scope of protection of the patent; If the technical features of the allegedly infringing technical solution are less than one or more technical features stated in the claims compared with all the technical features in the claims, or if one or more technical features are not identical or equivalent, the people's court shall determine that it does not fall within the scope of protection of the patent."

The above-mentioned legal provisions and judicial interpretations are the legal basis for the principle of comprehensive coverage and the principle of equivalence in the determination of patent infringement.

The principle of comprehensive coverage and the principle of equivalence are the two most important principles for determining patent infringement. In judicial practice, when determining patent infringement, the principle of comprehensive coverage should first be used,

that is, the technical features of the patent involved in the case and the allegedly infringing product are compared one by one, and when the two correspond each other and the corresponding technical features are exactly identical, it can be determined that the allegedly infringing technical solution falls within the protection scope of the patent. If a certain technical feature of the allegedly infringing technical solution is not identical with the corresponding technical feature of the patent, but the technical feature of the allegedly infringing technical solution adopts basically the same means, has basically the same function, and achieves the same effect compared with the patented technical feature, and a person skilled in the art can contemplate it without creative labor, the technical feature and the corresponding technical feature of the patent constitute equivalents. That is how the principle of equivalence works.

According to the interpretation of the SPC and the summary of judicial practice, it can be concluded that basically the same means refer to the common means of substitution or replacement or means with basically the same working principle in the technical field to which the patent belongs at the time when the alleged infringement happens; basically the same function means that the role of the substitute means in the allegedly infringing technical solution is basically the same as that played by the corresponding technical features of the patent in the patented technical solution; and

the basically same effect refers to the fact that there is no substantial difference between the technical effect achieved by the substitution means in the allegedly infringing technical solution and the technical effect of the corresponding technical features of the claims.

The legislative intent of the principle of infringement by equivalent is to limit the scope of patent protection based on the principle of fairness and reasonableness, so that the scope of patent protection is not only limited to the scope determined by the text of the claims, but also includes the scope determined by the features equivalent to the technical features in the patented claims.

In this case, based on the principle of comprehensive coverage, the court of first instance compared the features of the allegedly infringing product with Galanz's claims one by one, and concluded that the transmission rod in claim 1 is an independent transmission structure used to connect the power arm tooling and the force arm, while the allegedly infringing technical solution does not have an independent transmission rod structure, and the power tooling is directly against the inner arc structure of the upper part of the power arm, so there is no connection relationship and position relationship related to the drive rod in claim 1, and it does not have the same technical features. Furthermore, the court of first instance, in light of the examination process of the patent, held that the structural features relating to the transmission rod are necessary technical features for claim 1 of the patent, and are the features of the

invention point. It is further pointed out that, since the Patent Law protects inventive contributions, determination of infringement by equivalent should reflect the protection of the inventive contribution of the invention and ensure that the protection obtained by the patentee is commensurate with its technical contribution. It is precisely on the basis of the above reasons that the court of first instance held that the specific torque change solution for realizing the lever principle, i.e., the transmission rod and the related connection structure features, are necessary technical features for the claim 1 of the present patent, and are the features of the invention point, while the allegedly infringing technical solution adopts the torque change solution with an inner arc structure arranged on the upper part of the strength arm, and does not utilize the invention-point features of the patent at issue; therefore, the court of first instance did not determine the equivalence on the basis that the allegedly infringing technical solution finally delivered the result of riveting the upper cover, but emphasized the impact of the difference in technical means on the technical solution.

The SPC directly responded to the opinion of the court of first instance on the application of the principle of invention point and equivalence, corrected its determination on the invention point of the patent at issue, and discussed the relationship between the necessary technical features and the point of invention, that is, "the necessary technical features may include both features common to, and distinct from, the closest prior art, and they together constitute a solution for distinguishing from the prior art. The invention

point that embodies the technical contribution usually refers to one or more features that solve the technical problem of the invention or utility model, and the necessary technical features are related to the invention point, but cannot necessarily be regarded as the features of the invention point". However, the SPC did not further discuss how the determination of the point of invention impacts the application of the principle of equivalence, and whether the so-called features of the invention point should be treated differently. In the judgment of this case, the SPC affirmed that "in the field of mechanical design, the cam structure and the connecting rod structure are commonly used transmission structure, the cam structure is the high-auxiliary transmission structure, and the connecting rod low-auxiliary transmission structure, and the replacement of the low-secondary product with the high-secondary or vice versa is a conventional and equivalent replacement method in the field of mechanical design", and concluded that "the allegedly infringing product and the patent at issue have had basically the same function performed with basically the same means, That is, the top of the wrestling arm and the edge arm can swing radially outward at the same time with the movement of the power tooling, so as to achieve basically the same effect, that is, the effect of riveting the four sides and four corners of the upper cover of the magnetron at the same time with a simple structure", thus determining that "the allegedly infringing technical solution has the technical features equivalent to the technical features at issue".

## II. Invention Point and Equivalence Principle

Article 55 of the Guidelines for Determining Patent Infringement (2017) issued by the Beijing Higher People's Court provides that "if there are multiple equivalent features in the claims and the allegedly infringing technical solution, if the superposition of the multiple equivalent features causes the allegedly infringing technical solution to form a technical solution different from the technical concept of the claims, or if the allegedly infringing technical solution has achieved unexpected technical effects, it is generally not appropriate to determine that infringement by equivalent is constituted", and Article 60 provides that: "For the non-invention technical features in the invention claims, If the patentee knows or is sufficient to predict the existence of alternative technical features at the time of the patent application or amendment, but fails to include them in the scope of protection of the patent, the right holder's claim, made in the determination of infringement, that the alternative technical solution should be included in the scope of protection of the patent on the ground that it constitutes an equivalent feature shall not be supported." Obviously, the Beijing Municipal Higher People's Court and some district courts held a view basically similar to that of the court of first instance in this case.

In contrast to the above-mentioned practice and guidelines, there are also cases where it is highlighted that no distinction should be made between invention and non-invention points. For example, in the case of *Wenzhou Qianfeng Technology Co., Ltd. v. Wenzhou Ningtai*

*Machinery Co., Ltd.* ((2017) Zui Gao Fa Min Shen No. 2073), the SPC pointed out that "in the comparison of patent infringement, no distinction should be made between invention and non-invention points for the main reasons as follows: on the one hand,... When determining whether an invention or utility model patent is infringed, the principle of comprehensive coverage is applied, and no distinction is made between the invention and non-invention points. On the other hand, generally speaking, the former refers to the technical feature that reflects the contribution of the invention to the prior art among all the technical features of the claims of the patent at issue. It can be seen that the so-called invention and the non-invention points are relative to the closest prior art, and the difference of the closest prior art may lead to the difference of the point of invention. The relativity of the point of invention determines that it is not appropriate to distinguish between the invention and non-invention points in the comparison in cases of patent infringement."

Therefore, it can be seen that in judicial practice, there are great difference in considering the leniency of the equivalent scope of the technical feature from the perspective of whether the corresponding technical feature is the point of invention.

In this case, although the SPC corrected the determination of the point of invention by the court of first instance, it failed to consider the leniency of the scope of equivalence of technical features or

how it affects the application of the principle of equivalence based on the re-identified point of invention. Therefore, it can be held that the SPC does not believe that a larger or smaller scope of equivalent protection should be granted to the features of the point of the invention at present, considering the amount of creative labor put in by the inventor.

For this author, whether one or more technical features are points of invention involves the evaluation of patentability, which is usually used in the examination stage of a patent application in the evaluation of inventive step, which is itself a topic that is not easy to determine. Moreover, for the technical solution defined in the claims, the invention points are often different relative to different references. It is likely to be problematical in practice to consider the width of the equivalence of technical features from the perspective of whether the corresponding technical features are invention points. Therefore, the relativity of the invention point determines that it is not appropriate to distinguish between the invention and the non-invention points in the comparison for determining patent infringement.

### III. Principle of Estoppel and Infringement by Equivalent

In the determination of patent infringement, it is generally believed that the claims define the boundaries of the scope of protection of a patent, and the public (especially the competitors of the patentee) evaluate whether their actions would constitute patent infringement based on what are

stated in the claims. Since infringement by equivalent expands the scope of protection of the patent beyond the literal meaning of the claims, the public would find it less certain in assessing whether their actions would constitute patent infringement based on the statements of the claims, and the public notifying function of the claims will be affected to a certain extent, so it is necessary to impose certain restrictions on the principle of equivalence. The function of the principle of estoppel is to limit the application of infringement by equivalent to an appropriate scope, for the purpose of ensuring the public notifying function of the claims, and avoiding harm done to the public interests.

It is stipulated in Article 6 of the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Patent Infringement Dispute Cases that if a patent applicant or patentee abandons a technical solution by way of amendment made to the claims or description or statement of opinion during the patent grant or invalidation procedure, and the right holder includes it in the scope of patent protection in a patent infringement dispute case, the people's court shall not support the inclusion.

Pursuant to the judicial interpretation, the court no longer supports the technical solution that has been abandoned by way of amending the claims. A restrictive or defining amendment to the claims is possibly a restrictive amendment to the existing technical features in the original claims, narrowing

down the scope of the existing technical features in the original claims, thereby narrowing down the scope of protection of the technical solution defined in the claims; A restrictive amendment to the claims is also possibly to add a new technical feature to the original claims, thereby narrowing down the scope of protection of the technical solution defined in the claims. The principle of estoppel applies to both amendments. However, it is not clear in practice to what extent infringement by equivalent could still apply to the amended technical features.

In this case, in the first office action with regard to the patent at issue, the examiner held that "claim 1 of the application text lacks the necessary technical features to solve the technical problem", and considered that the structural features relating to the transmission rod are necessary technical features to solve the technical problem of the present invention. The patent applicant's submissions show that the patent was granted as claims 2, 3, 4 and 5 of the original text of the patent application at issue were merged into claim 1. That is, in the applicant's original text, claim 1 does not have a feature of the specific structure of the transmission rod, but only a feature description of the lever principle, that is, "by using the lever principle, the bottom of each force arm acts inward at the same time to rivet the side riveting cover die and the corner riveting cover die to rivet the skirt of the upper cover". When the examiner considers that it lacks the necessary technical features, the applicant adds the features relating to the transmission rod (i.e., the original claims 2, 3, 4 and 5) to the original claim 1 to address the defect

of lacking the necessary technical features. However, this amendment limits the feature of the lever principle originally summarized to specific transmission rods and related structural features, and whether this amendment excludes other solutions that conform to the lever principle other than the relevant features of the transmission rod, that is, The SPC's judgment did not discuss whether "driving the wrestling arm and the edge arm to swing outward at the same time through the upward movement of the cam on the inner arc surface of the wrestling arm and the edge arm in the allegedly infringing product is the technical solution that was abandoned due to the amendment made to the description or in the statement of opinions in the patent grant or invalidation procedure" and the one that was "included in the scope of patent protection in patent infringement dispute case".

Article 13 of the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Patent Infringement Dispute Cases(II) promulgated in March 2016 restricts the scope of application of the principle of estoppel and adds the element of "express denial" as an exception to the application of the principle of estoppel, namely, where the right holder proves that the patent applicant or patentee expressly denies the restrictive amendment to, or statement on, the claims, description and drawings in the patent grant and confirmation procedure, the people's court shall

determine that the amendment or statement has not led to the abandonment of the technical solution.

In the case (2017) Zui Gao Fa Min Shen No. 1826, the SPC further clarified the "express denial" provided in Article 13 of the Judicial Interpretation (II), that is, an objective and comprehensive judgment should be made on the examination of the technical features in the patent grant and confirmation stage, focusing on whether the restrictive statement made by the right holder on the technical solution was finally recognized by the adjudicator, and whether the patent application was granted or the patent right was maintained. However, judging from the entire process of the trial, the amendment to the patent involved in the case during the examination process was recognized by the CNIPA, resulting in the grant of the patent to the application at issue, and this is not a case of "express denial" as mentioned in the preceding judicial interpretation.

#### **IV. Predictability Rule and Infringement by Equivalent**

It is generally believed that there are two clear restrictions on the application of infringement by equivalent in the determination of patent infringement, namely, the principle of donation and the principle of estoppel. However, in the judicial practice, there is an unwritten principle for restricting infringement by equivalent, that is, the principle of predictability. To date, the Patent Law and judicial interpretations have not yet clearly defined the meaning of the principle of

predictability, but it has been at play in judicial decisions.

According to the currently generally accepted interpretation, the principle of predictability of the principle of equivalence means that the principle of equivalence cannot include technical solutions that the patentee could have predicted at the time of applying for a patent and should be covered within the scope of protection of the claims.

Although China's Patent Law and relevant judicial interpretations do not explicitly provide for the predictability rule, it is clearly supported in the Guidelines of the Beijing Higher People's Court for Determining Patent Infringement (2017). Article 60 of the Guidelines stipulates that: "For non-invention point technical features, technical features formed in the amendment, or technical features in the claims of a utility model, if the patentee clearly knows or it is sufficient for him or it to predict the existence of alternative technical features in the patent application or amendment at the time of the patent application or amendment, but fails to include the technical features in the patent, and the right holder claims inclusion of the alternative technical solution in the scope of protection of the patent in the infringement determination on the ground that it constitutes an equivalent feature, the claim shall not be supported. "At the same time, in the judicial practice in China, the predictability rule has been applied to considerable, specific cases, especially in the recent SPC judgments. For example, in Beijing Xingao Technology Co., Ltd. v.

Taiyuan Caiwei Manor Characteristic Agricultural Development Co., Ltd., a case of infringement of utility model patent (SPC Judgement (2019) Gao Gao Fa Min Shen No. 3188), the SPC held that "in terms of the technical features of the elastic support sheet and other heights, it is sufficient for the applicant of the patent involved in the case to predict the existence of this alternative feature at the time of the patent application, but did not include it in the claims of the patent at issue. Therefore, the technical features of the contour arrangement of the elastic support pieces should not be recognized as the technical features equivalent to the 'alternating arrangement of the high and low elastic support pieces' in claim 1 of the patent at issue." In the judgement (2021) Zui Gao Fa Zhi Min Zhong No. 192, the SPC held that if the patentee had clearly known the relevant technical solution when drafting the patent application, but had not included it in the scope of protection of the claims, the equivalence principle should no longer be applied to include the technical solution in the scope of protection in the infringement lawsuit. To determine whether the patentee is clearly aware of, and protects, a specific technical solution at the time of patent application, it can be determined based on the contents of the description and drawings, and the description and drawings should be treated as a whole, and the standard for judgment lies in the understanding of those skilled in the art after reading the claims, description and drawings.

During the second-instance trial of this case, to further prove that in the field of mechanical design,

the cam mechanism and the connecting rod mechanism are both commonly used transmission mechanisms in the field, Galanz provided multiple evidence, including textbooks related to mechanical principles, and in the pre-trial inquiry of the second instance, two university professors were also invited to participate in the inquiry as expert assistants, and expressed their opinions on whether the connecting rod structure and cam structure in the mechanical field are common mechanical design methods that could be replaced with each other. In the judgment of the second instance, the collegial panel concluded that "in the field of mechanical design, the cam structure and the connecting rod structure are commonly used transmission structures, with the former being a high-auxiliary transmission structure, and the latter a low-auxiliary transmission structure. Replacement of the low auxiliary with the high auxiliary or vice versa is a conventional and equivalent replacement method in the field of mechanical design," and "For those with ordinary skill in the art of machinery, it is easy to contemplate replacing the low-side structure of the conventional connecting rod structure with a conventional cam and a high-auxiliary transmission structure with a rolling contact with an inner camber", and it was thus determined that "the allegedly infringing technical solution has technical features equivalent to the technical features at issue".

Judging from the facts disclosed in the above-mentioned trial, it is clear that the SPC held that

before the filing date, in the field of mechanical design, the cam structure and the connecting rod structure are commonly used transmission structures, and it was easy to contemplate replacing the conventional low-auxiliary structure of the connecting rod structure with a conventional high-auxiliary transmission structure with a conventional cam, and vice versa. If, according to the rule of predictability, the allegedly infringing product in this case adopts a torque change solution in which an inner arc structure is set at the upper part of the arm, that is, the power tooling moves back and forth on the inner arc structure of the upper part of the arm, and the torque is different in thickness of the middle part, and then the wrestling arm and the side arm are driven to swing to realize the clamping or loosening of the upper cover, it should be the content that can reasonably be predicted and written into the claims during the drafting or examination of the application documents. However, there is no record of this relevant feature in Galanz's patented claims. It is worth noting that in this case, the SPC did not comment on the facts and the principle of predictability.

Undoubtedly, the principle of predictability places extremely high demands on claims drafting. If the patentee wants to avoid the principle of predictability from becoming an obstacle to the accusation of infringement by equivalent, it should try to summarize the technical features at a higher level when drafting the claims, and summarize all the technical means known on the filing date in the technical features. Of course, this is the proper



essence of claims drafting. In the case (2015) Min Shen Zi No. 740, the SPC believed that "with the further popularization and development of the patent system, the patentees will be more capable of drafting patent documents, and the patent administration department has become more stringent with the drafted patent applications, and the protection, based on the equivalence principle, for patents with a lower level of drafting has been gradually less effective". It can be seen that the principle of predictability has the effect of promoting the improvement of the drafting skills from the beginning.

However, on the other hand, requiring a patentee to summarize all the technical means that he should have known before the filing date is possibly too idealistic, and will result in a much higher drafting cost, or even makes it a mission impossible. If the principle of predictability is not strictly constrained and restricted, it will inevitably form a trend of overhead equivalence. Although the principle of predictability was not embodied in this case, a series of rulings the SPC has rendered in recent years have demonstrated the potential power of the principle, which has forced patentees, patent attorneys and lawyers to pay more attention to it, strive to improve the application drafting skills and be more cautious when amending the claims, so as to deliver the SPC's hope of reducing the protective effect of the principle of equivalence on low-level patents.

## Conclusion:

Since the principle of equivalence was first established in China in 2001, the SPC, with more than 20 years of judicial practice, has gradually refined the conditions for, scope and methods of application of the principle of equivalence in terms of the "three basic identicalness + obviousness" through judicial interpretations and rich judicial precedents, and has also imposed necessary restrictions on the application of the principle of equivalence through explicit and non-explicit principles, such as the principle of redundant designation, principle of infringement by inferior modification, principle of comprehensive coverage, principle of donation, principle of estoppel, principle of deliberate exclusion, and rule of predictability. While providing effective legal protection for patentees and encouraging technological innovation, it is also ensured that the scope of protection of patent rights has sufficient legal certainty and predictability to protect the legitimate rights and interests of the public. Therefore, imposing necessary restrictions on the principle of equivalence to prevent excessive application of infringement by equivalent is also the direction that has been highlighted and explored in the judicial practice in China. As stated in the judgment of the first instance: "Determination of infringement by equivalent should not only be based on the comparison of the means, functions and effects of the technical features; it is not possible to simply consider the equivalent on the basis of 'differences' of technical means, and it is often subjective to judge whether it is a 'substantially the same means' and the features

**that can be easily contemplated without creative work in the field of technology.” However, this author believes that only by continuous judicial practice, earnest experience summarization and theoretical discussions, gradually exploring and summarizing some effective principles and rules, improving the judicial capability, minimizing the subjectivity of adjudication, and increasing objectivity and predictability, can we provide adequate and appropriate protection for patentees, and deliver the purpose of promoting scientific and technological progress and social fairness.**

In the past years, Mr. Wang has handled thousands of patent applications for both domestic and foreign clients, and he has extensive experiences in application drafting, responding to office actions, patent reexamination and invalidation proceeding, patent administrative litigation, infringement litigation, software registration and integrated circuit layout design registration. As a very experienced patent attorney and attorney-at-law, Mr. Wang also participated in many patent litigation cases on behalf of a number of multinational companies as leading attorney. Mr. Wang's practices include computer hardware, computer software, communication technology, semiconductor devices and manufacturing process, automatic control, household electrical appliances, and etc.

Author:

Mr. Richard Yong Wang

Mr. Wang received his bachelor's degree in 1991 from the department of computer science of East China Normal University and his master's degree from the Institute of Computing Technology of the Chinese Academy of Sciences in 1994. In 2005, he received degree of master of laws from Renmin University of China. From 1994 to 2006, Mr. Wang worked with China Patent Agent (HK) Ltd, as a patent attorney and director of Electrical and Electronic Department. Mr. Wang joined Panawell in January 2007.

Mr. Wang is a member of the All-China Patent Attorneys Association (ACPAA), Sub-Committee of Electronic and Information Technology of ACPAA, LES China and AIPPI China, and FICPI China.

## Summary of SPC IP Tribunal Decisions 2023

With a view to highlighting the judicial concepts, trial ideas and adjudication methods of the Intellectual Property Tribunal (IPT) of the Supreme Court (SPC) in technology-related IP and monopoly cases, the IPT selected 96 from the 4,562 cases concluded in 2023, summarized 104 key points, and put them into the Summary of the SPC IP Tribunal Decisions 2023, which was released on February 23, 2024 for the benefit of research and for the reference of all sectors of the society.

### I. Cases of Patent Grant and Invalidation

#### 1. Patentable Subject Matter Determination

Case No.: (2022) SPC IP Final No. 375

**Key Point:** When determining whether a solution defined by the claims constitutes the subject matter protectable under the Patent Law, it is generally necessary to examine whether the solution adopts the specific technical means, aims to solve the specific technical problem, and obtains the corresponding technical effect as those skilled in the art can understand it upon reading the claims and description. Whether or not the solution actually solves the technical problem specified in the description, and achieves the corresponding technical effect is usually something to be dealt with in examination as to the sufficient disclosure of the description, rather than that as to patentable subject matter.

#### 2. Examination of "Further Defining" Amendments in the Patent Invalidation Proceeding

Case No.: (2021) SPC IP Final Nos. 556, 581, and 738

**Key Point:** In the patent invalidation proceeding, whether the amendment method, namely amendment of the claims by way of "further defining", shall be examined only on the basis of whether the post-amendment claim fully contains all the technical features of the pre-amendment claims, whether the former has added any technical features compared with the latter, and whether the added technical features are present in any other original claims.

#### 3. Responsive Claim Amendment in Patent Invalidation Proceeding

Case No.: (2021) SPC IP Final Nos. 556, 581, and 738

**Key Point:** In the patent invalidation proceeding, the "further defining" amendment to the claims shall generally be made merely to respond to or address the invalidation grounds; it is possible not to accept any actual claims reconstruction in the name of addressing defects pointed out in the invalidation grounds.

#### **4. Whether Amendment Made Only to the Dependent Claims Should Be Acceptable in the Patent Invalidation Proceeding**

Case No.: (2021) SPC IP Final No. 548

**Key Point:** In the patent invalidation proceeding, if a party claims that the patentee's only amending the dependent claims without amending the independent claim should not be accepted as a way of amendment, the court shall not support the claim.

#### **5. Determination of Abandonment Amendment to the Claims**

Case No.: (2021) SPC IP Final No. 44

**Key Point:** Abandonment amendment generally refers to incorporation of negative technical features when amending the claims, and the exclusion of certain claimed subject matter from the scope of protection of the original claims, so as to diminish or narrow down the scope of protection of the original patent claims. Generally, this is applicable only in a limited number of specific circumstances, such as loss of novelty of a patent application due to presence of a partially overlapping conflicting application, loss of novelty due to the accidental preemption of the prior art, or exclusion of subject matter not protected by the patent law for non-technical reasons.

Abandonment amendment is required to comply with Article 33 of the Patent Law. Specific determination should be made by comprehensively

considering the contents disclosed in the original claims and description, the claimed contents abandoned, the contents retained after the abandonment amendment, and the relationship between the three. If a person skilled in the art can determine that the content retained after the amendment has been directly or implicitly disclosed in the original claims or description, the amendment complies with Article 33 of the Patent Law.

#### **6. Identical Subject Matter Determination in Priority Examination**

Case No.: (2021) SPC IP Final Nos. 344 and 371

**Key Point:** In determining whether the priority right is established, it is necessary to examine whether the content of the claims defined in the later application can be directly and undoubtedly derived from the patent documents of the earlier application. Although certain contents defined in the claims, such as the features of administration of drug, may not be considered in the novelty and inventiveness assessment for lack of a substantive defining effect, but they should be considered in the priority examination.

#### **7. Acceptance of Supplementary Experimental Data**

Case No.: (2019) SPC IP Final No. 33

**Key Point:** Where a drug patent applicant or patentee submits supplementary experimental data after the filing date, claiming that the data can

prove that the patent application or patent has inventiveness and that the patent claims are supported by the description, the court shall examine it. If the original patent application document expressly records or implicitly discloses the facts to be proven directly by the supplementary experimental data, and the applicant does not overcome the intrinsic defects of the original patent application documents through the supplementary experimental data, the supplementary experimental data may be accepted and further examined as to whether they could prove the facts to be proven.

## **8. Examination of the "Facts to Be Proven" When Determining Whether the Supplementary Experimental Data Should Be Accepted**

Case No.: (2022) SPC IP Final No. 15

Key Point: The facts to be proven directly with supplementary experimental data shall be clearly recorded or implicitly disclosed in the original patent application documents, that is, the facts to be proven shall be clear in the original application documents or that those skilled in the art can directly and undoubtedly determine or identify them. If the facts to be proven themselves are not clearly recorded or implicitly disclosed in the original patent application documents, and it is necessary to further determine the "facts to be proven" themselves with supplementary experimental data, the supplementary experimental data should not be accepted.

## **9. Determination of Sufficient Disclosure in Description of Multivariate Equations-Defined Claims**

Case No.: (2021) SPC IP Final No. 1071

Key Point: Where, for claims defined by equations containing two or more variables, the description does not clearly define the numerical selection of each variable, the relationship between the variables, and the relationship between the numerical selection and the technical effect, so that a person skilled in the art still needs to make creative or excessive efforts to solve the technical problem and achieve the technical effect after reading the claims and the description, and an interested party claims that the disclosure of the description is insufficient on this ground, the court may support the claim.

## **10. Determination of Sufficient Disclosure of the Description of the Patent for Composition of Traditional Chinese Medicine that Defines the Content of Components with Numerical Range**

Case No.: (2021) SPC IP Final No. 593

Key Point: In a patent for a composition of traditional Chinese medicine that defines the content of components with a numerical range, where the description proves the technical effect with clinical trial data, if those skilled in the art can reasonably expect that increase or decrease in the dosage within the content of the components will not change the basic compatibility and efficacy of

the technical solutions adopted in the clinical trial data, it is generally possible to determine that the disclosure of the description is sufficient.

### **11. Determination of Whether the Claims of a Protein Invention Patent Defined by a Specific Amino Acid Sequence Are Supported by the Description**

Case No.: (2021) SPC IP Final No. 448

**Key Point:** For the claims of a protein invention patent that define a specific amino acid sequence, if the embodiment in the description is performed by a protein modified by glycosylation, whether the experimental data obtained in this case could support the protein of the amino acid sequence defined by the claims shall be comprehensively determined in light of the characteristics of the protein invention and the role played by glycosylation in the technical solution. For protein invention patents that only define the amino acid sequence, it is completely unallowable to prove the technical effect of the invention on the basis of the experimental data obtained from the glycosylated proteins expressed in different host cells, as this is not in line with the natural law of proteins obtained by gene editing, nor does it conform to the characteristics that such invention patents usually only define the amino acid sequence.

### **12. Impact of Custom Model on the Clarity of Scope of Protection of the Claims**

Case No.: (2022) SPC IP Final No. 755

**Key Point:** Use of a custom model in claims should generally be restricted, and it should be allowed only if verbal expression is unsuitable or use of custom models is clearer and more concise than use of words, and the specific meaning of the model must be capable of obtaining the only correct and reasonable interpretation from the claims and description, so as to ensure that the scope of protection of the claims defined by it is sufficiently clear.

### **13. Impact of Obvious Errors in Drafted Claims on the Clarity of the Scope of Protection**

Case No.: (2022) SPC IP Final No. 858

**Key Point:** Where a person skilled in the art can determine that there is an obvious error in the drafted claims after reading the claims and the description, and can determine the only correct answer, in principle, the scope of protection of the claims shall be considered clear. Where a party claims that the scope of protection of the claims is not solely on the grounds that there is such an obvious error, the court will not support the claim.

### **14. Examination of Publication Time of Pictures and Videos on Internet Web Pages**

Case No.: (2022) SPC IP Final No. 469

**Key Point:** In the patent grant and invalidation proceeding, the publication time of pictures and videos on the internet web pages should be examined and determined by comprehensively

considering such factors as the website's qualifications and creditability, operation and management mode, and technical means, with the examination focusing on the editing and publishing mechanisms of the pictures and videos on the web pages. If the user can edit and modify the publication time on their own, or if the publication time remains unchanged after the content or publication status changes, the release time cannot usually be used as the publication time of the relevant information in the absence of other supporting evidence.

#### **15. Determination of Novelty of Invention Patents for Known Chemical Product Uses**

Case No.: (2022) SPC IP Final No. 788

**Key point:** If the new use defined in an invention patent for the use of a known chemical product is only to describe, from different angles or verify in different methods, the technical effect of the chemical product that those skilled in the art could determine before the filing date, the so-called new use does not constitute a technical feature that distinguishes the patent from the prior art.

To Be Continued...

## Meeting at INTA 2024 in Atlanta, USA

We are very pleased to inform you that PANAWELL & PARTNERS will send partners Mr. William Wenquan YANG, Mr. George Guangxun GUO and Mr. Richard Yong WANG, to attend the 146th INTA Annual Meeting from May 18 to 22, 2024 in Atlanta, USA.

To arrange a meeting with our representatives, please email us at [mail@panawell.com](mailto:mail@panawell.com) or [williamyang@panawell.com](mailto:williamyang@panawell.com).

Looking forward to meeting you in Atlanta!



## CNIPA accepts the statement for batch change in bibliographic data since January 20, 2024

In accordance with Section 3.7.1.1, Chapter 1 of Part I of the "Guidelines for Patent Examination (2023)," where the same bibliographic data of multiple patents/patent applications undergoes a change, and the content of the changes is identical, a statement for batch change in bibliographic data can be submitted since January 20, 2024.

### 1. Items of change

- (1) name change of an applicant or a patentee (including change for all cases or specific cases; it is not currently available);
- (2) transfer of right of a patent/patent application;
- (3) change of address or post code, etc. of an applicant/patentee;
- (4) change of contact information;
- (5) change of a patent agency or a patent attorney.

### 2. Documents for batch change in bibliographic data

- (1) A statement for batch change in bibliographic data;
- (2) If certifying documents need to be submitted, the recorded number of certifying document should also be filled in. The recorded number of certifying document can be obtained by putting on record with the CNIPA.

(3) If the applicant or patentee changes their name and passes the verification on the business information system platform, no certifying documents need to be submitted.

### 3. Handling fees for batch change in bibliographic data

- (1) Batch change of name of an applicant/patentee (not fixed currently);
- (2) Batch transfer of right of patents/patent applications (official fee RMB200 for each case);
- (3) No official fee for batch change of address of an applicant/a patentee, or batch change of agent matters, or contact information.

### 4. Official Notice

The CNIPA will conduct examination on the statement for batch change in bibliographic data, and issue a "Notice of Approval of request for Change in batch bibliographic data", and record the history of changes in each individual case, and announce the change and register it in the patent registry. The approval notice includes the examination results of all cases (including qualified, failed, or to be kept in file).

### 5. Relief measure

If the submitters are not satisfied with the result of the examination on the statement for batch change in bibliographic data, he/it may apply for administrative reconsideration to the CNIPA.

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