

IP UPDATE



Flora Ho

PRC PATENT AGENT

BSc (Physics), Chinese University of Hong Kong
MPhil (Elec Eng), Chinese University of Hong Kong



Fandy Ip ASSOCIATE

BSSc, Chinese University of Hong Kong
JD, University of Hong Kong

Beijing High People's Court Announced Revision of Guidelines for Determining Patent Infringement

On 20 April 2017, Beijing High People's Court announced the Revision of the Guidelines for Determining Patent Infringement ("Revision").

The Revision further elaborates the Judicial Interpretation on Several Issues concerning the Application of Law in the Trial of Patent Infringement Dispute Cases (II) issued by the Supreme People's Court ("Interpretation") effective from 1st April 2016, and provide comprehensive and practical guidance in deciding patent infringement cases. Notable changes include new provisions related to standard essential patents, and graphical user interface related design patents as highlighted below.

Standard essential patents – defence to injunctive relief

The Revision provides clear guidance as to how unsuccessful negotiation on licensing terms and conditions would affect the grant of injunctive relief against infringement of national or industrial standard essential patents (SEP).

Article 149 of the Revision provides that, the courts may not grant an injunction if the accused infringer has negotiated with the patentee for licensing of the SEP and no agreement is reached not because of any serious faults made by accused infringer but the fact that the patentee has willfully violated the principle of fairness, reasonableness, and non-discrimination (FRAND).

The circumstances which may be deemed as the patentee's wilful violation of the FRAND principle include but not limited to 1) failing to notify the accused infringer of the infringement and specify scope of protection of the patents concerned and the particulars of infringement, 2) failing to provide detailed licensing conditions and terms after the accused infringer expressed an intention to negotiate for licensing, 3) offering obviously unreasonable licensing conditions and terms, and 4) stopping or interrupting licensing negotiation without adequate reasons.

For cases where the patentee is not found to be violating the FRAND principle and the accused infringer is not found to be making serious faults during licensing negotiation, Article

152 of the Revision provides that the court may not support the patentee's request for injunction if the accused infringer timely submits a guarantee not less than the amount of license fees it/he advocates.

On the other hand, Article 153 detailed the circumstances which may be deemed as that the accused infringer has made serious faults during the course of licensing negotiation, including but not limited to 1) failure to respond within a reasonable timeframe to written notification of infringement from the patentee; 2) failure to respond within a reasonable timeframe on whether to accept the licensing conditions and terms offered by the patentee, or refusing to accept the licensing conditions and terms but failure to counter-propose new conditions and terms, 3) proposing obviously unreasonable licensing conditions and terms; and 4) stopping or interrupting licensing negotiation without adequate reasons.

The above guidelines may give some directions in ruling of SEP related infringement cases. However, it might still be a challenge to the court to decide on whether the licensing terms and conditions proposed by the parties are reasonable or not, which may become a subjective assessment and give little guidance as to the negotiating parties as to whether their respective offers are reasonable.

Graphical user interface designs

Article 77 of the Revision clarifies that when determining the infringement of a graphical user interface (GUI) related design patent, the court has to compare whether the product categories of the accused product and the design patent in question is the same or similar. The product category of a graphical user interface (GUI) related design patent shall be the product in which the GUI design is to be used.

With respect to determining the infringement of a static GUI design, if the GUI design of the accused product is the same or similar to the one of the design patent in question, and the relationships of the GUI design with remaining parts of the product, such as position, proportion and distribution, do not cause notable impact to overall visual effect of the product, the accused product shall be deemed as falling into the protection scope of the design patent in question.

With respect to dynamic GUI design, the relationships of the GUI design with the remaining parts of the product, such as position, proportion and distribution, shall be considered as well. In cases where the overall visual effect of the accused product is the same or similar to the design patent in question, and the accused product uses some dynamic views which belong to the design focus of the design patent in question, the accused product shall be deemed as falling into the protection scope of the design patent in question. In cases where the transition procedure of the dynamic GUI of the accused product is not consistent to transition procedure of the design patent in question, the accused product shall not be deemed as falling into the protection scope of the design patent in question.

The above guidelines have clarified that the role of the product on which the GUI design is to be used is important in determining the protection scope of the GUI design patent, although it is common that a single GUI can be applied to various types of devices. In practice, one cost-effective approach to obtain a protection scope as wide as possible is to incorporate the different devices with identical GUI designs into one multiple design application. Another point to note is that in drafting the GUI design patent, the applicant needs to describe as detailed as possible to have a comprehensive demonstration of the transition procedure and specify which dynamic views are design focus of the GUI design as such information would be an important factor in determining infringement.