

How Does an Enterprise Defend When Being Accused as An Infringer in Patent Infringement?

Written by Ming LIU (Ms.)
Edited by Xiao HAN (Ms. Nicole)

With the strengthening of intellectual property protection in China, the number of patent infringement lawsuits is increasing. After an enterprise encounters a patent infringement lawsuit, it can generally use the following defenses.

The Defense Based on Patent Validity

Firstly, it is suggested to check whether the patent in question is still valid and whether the other party is the patentee or the interested party. If the patent is still valid, the enterprise may file a request to the patent reexamination board for invalidating the patent on the grounds that the patent does not meet the requirement of patentability. Once the patent is invalidated, the lawsuit will naturally disappear.

The Defense Based on Abuse of Patent Right

If the enterprise could provide evidence proving that the patentee has obtained the patent in bad faith, the court may reject the plaintiff's claim.

Acquisition of a patent in bad faith refers to the act of knowingly applying for a patent and obtaining the patent right while the invention-creation should not be granted as a patent. For example: abnormal patent applications.

Non-infringement Defense

The enterprise may claim that the technical solution does not fall into the protection scope of the patent in question.

- 1) The claims in question possess more technical features than that of the accused infringing technical solution; or
- 2) One or more technical features in the claims and the accused infringing technical solution are neither identical nor equivalent.

The Defense Based on Not Being Deemed as Infringement

Defense based on not being deemed as infringement may include the followings, which are explained in detail in Article 69 of the Patent law.

- (1) Patent right exhaustion;
- (2) Defense based on right of prior use;
- (3) The patent is used for scientific research ONLY; or
- (4) The patent is used for administrative approval ONLY.

The Defense Based on Prior Art

To be brief, the accused infringing technology solution was well-known and commonly used before the filing date of the patent in question. To examine whether the defense based on the prior art is acceptable, the corresponding technical features of the existing technical solution should be compared with the technical features being accused to check whether they are identical or equivalent.

The Defense Based on Legitimate Source

The so-called legitimate source refers to that the accused infringing products are obtained by the legitimate sales channels, the usual sales contracts, and other normal commercial means. In order to prove the legitimate source, it is generally required to provide a contract, an invoice, etc.

The Defense for Non-cessation of Infringement

In case that the above defenses cannot be established, there are still possible defenses for non-cessation of infringement. Specifically, it may include the following circumstances:

- (1) The user does not know and ought not to know that the product he used is manufactured and sold without the authorization of the patentee, and the user can prove the legitimate source of the products and adduce evidence proving that he has paid reasonable prices;
- (2) The accused act constitutes patent infringement but the cessation of infringement may be detrimental to national or public interests; or
- (3) In case of a standard essential patent, the patentee intentionally violates FRAND principle when the accused infringer and the patentee negotiate about the patent licensing conditions.

It is suggested that different defenses be flexibly used to form lines of defenses and protect the enterprises' interest to the greatest extent based on the patent status of the other party, the situation of the enterprises' technical solution and the situation of prior use.

If you have any questions on this topic, please feel free to contact Ms. Ming Liu

at patent@foundin.cn.