

Patent Litigation in China & Amicus Curiae in the U.S.

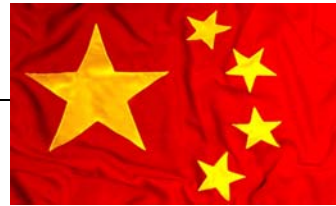
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What I will cover

- Considerations for patent litigation in China
- Anatomy of patent litigation in China
- Procedural issues in Chinese patent litigation
- Bifurcated patent invalidation proceedings
- Amicus curiae briefs in U.S. courts



PATENT LITIGATION IN CHINA



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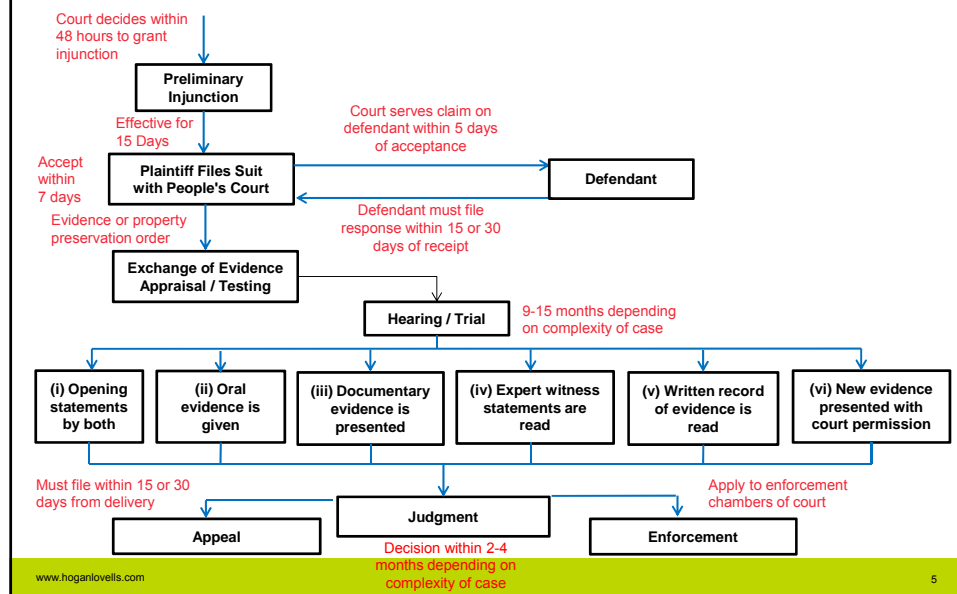
10 things to consider for patent litigation in China

1. Patent litigation is challenging but winnable
2. Early preparation is crucial
3. Production of evidence is mostly voluntary
4. Documentary evidence is best evidence, oral statements are suspect
5. No uniform procedure for interpreting claims
6. Proving damages is difficult – large awards are rare
7. Settlement can result in enforceable "court mediation order"
8. Utility model patents can be enforced for significant damages
9. Invalidity action is separate from infringement action
10. Be creative!

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Anatomy of a patent litigation in China



Procedural considerations

- **Limitation period:** two years from when patentee knew or should have known, unless continuing infringement (PL Art. 68, SPC I Art. 23)
- **Jurisdiction:** place of sale if joint defendants (manufacturer & seller) (SPC I Art. 6)
- **Search reports:** court may require for utility model & design patents (PL Art. 61)
- **Preliminary injunctions:** bond required, rarely granted (PL Art. 66)
- **Evidence preservation orders:** depends on judge (PL Art. 67)

Procedural considerations (cont.)

- **Burden of proof:** may shift for method claims (PL Art. 61)
- **Declaratory judgment:** if patentee does not withdraw notice or file lawsuit w/in 1 month of request or 2 months of notice (SPC II Art. 18)
- **Stay of infringement action:** utility model & design patents (SPC I Art. 8-11)

Can foreign patentees win?

Patent Infringement (2009-2012)

Totals

	Invention	Utility Model	Design	Total
Judgments	286	373	928	1587
Plf Wins	55% (157)	61% (228)	80% (745)	71% (1130)
Foreign Plf	78% (61/78)	20% (1/5)	78% (50/64)	76% (112/147)
Domestic Plf	46% (96/208)	61% (226/368)	80% (695/864)	70% (1017/1460)

Patent invalidation proceedings

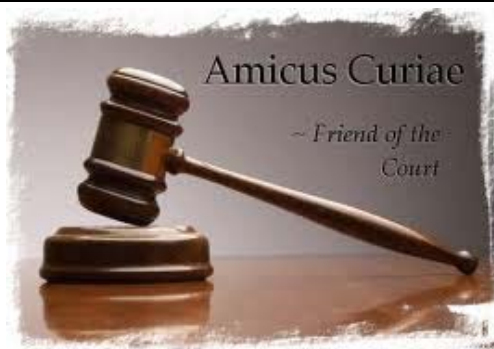
- Any legal entity or individual may file request for invalidation to Patent Re-examination Board ("PRB").
- Initiating invalidation proceeding is common way to defend against infringement action – request for stay.
- Invalidation proceeding may be stayed if there is ownership dispute or asset preservation order concerning patent.
- Amendments are generally limited to deletion of claims, combination of claims, and deletion of technical solutions.
- PRB may find patent to be valid, partially valid, or invalid.
- Court may uphold PRB's decision or remand decision to new PRB panel for reconsideration.

Procedural considerations

- Petitioner may supplement evidence or add grounds of invalidation within 1 month after submitting request,
- Respondent may submit response within 1 month after receiving notice of acceptance.
- Within a half to one year from issuance of notice of acceptance, oral hearing will be conducted:
 - parties have right to be heard prior to PRB making any adverse decision;
 - parties may settle on their own terms.
- Within a half to one year after oral hearing, PRB will make decision.
- Entire PRB invalidation process takes about 1-2 years.

New court trend?

- Indefiniteness = non-infringement
 - *Bo Wanqing v. Chengdu Nanxun* (Chengdu) – utility model patent involving radiation-proof clothes – SPC held that "POSA cannot determine specific meaning of technical term 'high magnetic inductivity' from specification, common knowledge of the field, and relevant prior art" – SPC stated that "when the drafting of the claims has obvious defects such that it is impossible to accurately ascertain the scope of patent protection, there shall not be a finding of infringement" (SPC Top 10 Innovative Cases of 2012)
 - *Nokia v. Shanghai Huaqing* (SIPC No. 1) – patent involving wireless communications – issue over meaning of functional claim – no specific embodiments in specification – court held that scope of protection could not be determined (indefinite) and thus not enforceable (PRB held patent valid)
 - BUT SEE: BHPC Guidelines on Determining Patent Infringement (2013), affirming principle of bifurcation of invalidity decision from infringement decision – "courts shall not rule on the ground that the patent does not fulfill the relevant conditions for the grant of the patent and should thus be declared invalid"



Amicus curiae in U.S. courts

- **Definition:** "A person who is not a party to a lawsuit but who petitions the court or is requested by the court to file a brief in the action because that person has a strong interest in the subject matter." (*Black's Law Dictionary* (9th ed.))
- **True "Friend of Court":** Non-interested party that provides additional information that judges need to declare legal rules of general applicability; one that is concerned with the development of law rather than a correct resolution of a particular case.

Procedural considerations (Supreme Court)

- **Supreme Court Rule 37:**
 - May be filed only by attorney admitted to practice before the court
 - May file brief only with parties' written consent or by leave of court
 - Different rules for filing at petition stage and oral argument stage:
 - if at petition stage, notice of intent to file must be given to parties
 - motion for leave by court at petition stage will not be favored
 - May not obtain extensions of time for filing any document
 - Private amici must disclose any interest in the parties

Procedural considerations (Federal Circuit)

- Federal Rules of Appellate Procedure ("FRAP") Rule 29:
 - May file brief only by leave of court or if brief states that all parties have consented
 - Identical rules for filing at petition stage and oral argument stage: notice of intent to file is not required
 - Court may grant leave for later filing
 - Amicus curiae may participate in oral argument with the court's permission

Amicus Curiae Briefs (Supreme Court)

- *Ass'n for Molecular Pathology, et al. (Defendant-Petitioners) v. Myriad Genetics, Inc. (Plaintiff-Respondents)*
 - Issue: whether synthetically created cDNA is a naturally occurring segment of DNA such that it is not patent eligible under 35 U.S.C. § 101
 - 49 briefs filed by amici, including by USPTO, professional associations, medical research related organizations, biopharmaceutical companies, and law professors (amongst which 10 briefs support neither party)

Amicus Curiae Briefs (Federal Circuit)

- *CLS Bank International (Plaintiff-Appellee) and CLS Services Ltd (Counterclaim Defendant-Appellee) v. Alice Corporation (Defendant-Appellant)*
 - Issue: whether a computer-implemented claim relating to a computerized trading platform is too abstract to be patent eligible under 35 U.S.C. § 101. (on rehearing en banc)
 - 24 briefs filed by amici, including by USPTO, high-tech operating entities, TMT industrial organizations, academic institutions and individuals

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Thank you!

Should you have any questions, please do not
hesitate to contact:

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