

Monthly Newsletter

JULY 2023

Application of Estoppel Doctrine in Chinese Patent Litigations

Legal Explanation

The Estoppel Doctrine plays a significant role in patent infringement litigation in China. It entails that if a patent holder narrows the scope of their claims, they cannot later assert that the subject matter abandoned through such narrowing falls within the scope of patent rights.

Conditions for the Application of Estoppel Doctrine

In Chinese judicial practice, applying estoppel doctrine generally requires the following conditions:

1. Explicit and recorded restrictive amendments or abandonment of technical solutions must be present in the patent documents.
2. If CNIPA or the IP courts have indicated expressly during the patent examination or validation that the patentee's restrictive amendments or abandonment of the technical solution are insufficient to

overcome substantial defects in the original claim, applying the estoppel doctrine in infringement litigation may be hindered.

3. The estoppel doctrine limits the application of the doctrine of equivalents. When the doctrine of equivalents is established, considering estoppel is unnecessary. The estoppel doctrine comes into play only when the doctrine of equivalents is not established, and infringement needs to be determined based on the doctrine of equivalents.
4. Applying the estoppel doctrine requires a request from the alleged infringer and the provision of evidence by the alleged infringer regarding the patentee's change of position. The court does not actively introduce evidence or apply the estoppel doctrine but may investigate and verify relevant evidence through administrative agencies upon the parties' request.

Case study

Abandonment of technical solution

Case Number: (2013) Gao Min Zhong Zi No. 362

Patent Number: CN100588049C

In this case, the central issue revolves around a specific feature: "The data terminal is situated on the upper side of the outer wall of the insulating body, while the power terminal is positioned on the lower side of the inner wall of the insulating body." However, the accused infringing plug has both the power and data terminals on the "inner wall." The patentee asserts that this constitutes equivalent infringement.

The accused infringer invokes the estoppel doctrine, contending that the patentee completely removed the technical solution outlined in claim 2 (which involved both terminals being located on the inner wall) during the application process. Furthermore, the patentee acknowledged in their arguments that claim 2 lacked inventive steps, as pointed out by the examiner. Consequently, the patentee explicitly abandoned the technical feature of "both the power terminal and the data terminal located on the inner wall," deeming it a non-substantial improvement over the prior art. Based on the

principles of the estoppel doctrine, the patentee's abandonment of this technical feature during the application process implies that it should not be encompassed within the scope of patent protection.

Both the first-instance and second-instance courts concurred with the accused infringer's claim of estoppel doctrine, ruling that the accused infringer did not violate the patent.

Restrictive amendments

Case Number: (2005) Gao Min Zhong Zi No. 1262

Involved Patent: CN1130063C

In this case, the focal point is a specific feature: "Detecting and comparing the current user card's corresponding mobile number with the pre-stored mobile number corresponding to a legitimate user card. If they match, normal usage is allowed; if they do not match, normal usage is allowed while automatically making a hidden call according to the set functional parameters." Based on this feature, the patentee alleges infringement under the doctrine of equivalents.

In the final ruling, the Beijing High People's Court held that the patentee had abandoned the technical solution mentioned above during the initial examination to obtain the patent. Following the estoppel doctrine, when the court applies the doctrine of equivalents to determine the scope of patent protection, the patentee is precluded from reintroducing restricted, excluded, or abandoned content into the scope of patent protection.

As a result, the accused infringer was found not to have violated the patent.

During the initial patent examination, the patentee explicitly stated: "In comparison, prior art 1 and 2 are designed to prevent unauthorized users from accessing, whereas the present invention is primarily intended for reporting loss. The present invention allows the current user to use it normally, but if the user is unauthorized, it initiates a loss reporting call without the user's awareness, thereby achieving the purpose of reporting the loss. The effect is significantly different." Consequently, the patentee abandoned the technical solution wherein unauthorized users could not use the device usually and made a visible call for reporting the loss. It was based on this amendment that the patent was granted.

Explicitly Denied Statement of Opinion

Case Number: (2017) Supreme People's Court Civil Application No. 1826

Involved patent: CN101000977B

This case involves essential features designated as a, b, and c (specific details not provided). During the substantive examination stage, the examiner explicitly rejected the applicant's statement of opinion regarding the inventiveness of features a and b. Consequently, the applicant supplemented feature c into Claim 1, and the patent was granted based on this amendment.

In the subsequent invalidation procedure, the patentee emphasized the inclusion of features a and b through a restrictive amendment. However, the Patent Reexamination Board did not specifically evaluate whether features a and b rendered the patent inventive. Instead, they based their determination solely on feature c, affirming its inventiveness and upholding the patent's validity.

The appellate court ruled that the Patent Reexamination Board's failure to conduct a specific evaluation of whether the distinguishing features a and b rendered the patent inventive did not meet the requirement of "explicit denial." Therefore, the estoppel doctrine should be applied in this case.

Upon retrial by the Supreme People's Court, it was concluded that the examiners did not recognize the patentee's statement of opinion regarding features a and b and held an explicitly denied opinion. The Patent Reexamination Board did not overturn the opinion reached during the substantive examination stage, and the invalidation procedure did not yield a contrary conclusion. Consequently, it is considered that the patentee's restrictive amendment did not result in the abandonment of the technical solution. Thus the estoppel doctrine should not be applied when determining infringement.

Countermeasures to be Taken

Based on the above cases, the following are briefly discussed as countermeasures that patentees should consider.

Authorization Stage

Statement of Opinions: When responding to substantive examination opinions on novelty and inventiveness, it is advisable to address the deficiencies pointed out by the examiner without making statements on unrelated technical features. Suppose the examiner accepts the novelty and inventiveness of specific claims and intends to limit them as independent claims. In that case, it is recommended to provide only formal statements, refraining from substantive statements.

Careful Presentation of Opinions: When presenting statements of opinions regarding prior art, distinguishing technical features, technical problems, and technical effects, avoid intentionally exaggerating technical issues and effects to obtain authorization. This helps to prevent complications in applying the doctrine of equivalents during infringement proceedings.

Removal of Technical Solutions: If there is a need to remove a specific technical solution, direct abandonment or self-admission of lack of inventiveness should be avoided. When modifying a higher-level technical feature to a lower-level one, it is recommended to encompass as many technical solutions from the embodiments described in the specification as possible.

Proactive Submission of Supplementary Opinions: If an error is discovered in a previously submitted statement of opinion that may trigger the application of the estoppel doctrine during the examination process, it is permissible to submit supplementary statements of opinion to rectify the mistake proactively. Such proactive actions do not fall under the prohibition of changing one's position.

Rights Confirmation Stage

In invalidation proceedings, particularly those associated with patent infringement litigation, the invalidating party may attempt to invalidate all patent claims and induce the patentee to make interpretations and limitations favorable to the invalidating party. This can substantially restrict the scope of protection and lay the foundation for non-infringement defenses in subsequent patent infringement litigation.

Therefore, in invalidation proceedings, the patentee must seek the broadest possible scope of protection while avoiding excessive restrictive amendments to the claims. This helps prevent the estoppel doctrine's application, which could adversely affect future patent enforcement actions.

Patents within the Same Family, Divisional Applications, and Others

In addition to the examination document of the patent in question, the examination document of divisional applications may also impact the application of the estoppel doctrine in patent infringement litigation, as recognized by judicial interpretations of patent infringement. Furthermore, statements of opinion submitted during the substantive examination stage of patents within the same family, as well as the specifications of other related patents filed by the same applicant, can be utilized to interpret the claims of the patent in question according to the civil adjudication of the Supreme People's Court.

Therefore, it is essential to focus on modifications and statements of opinion related to the specific patent and pay attention to other patents connected through divisional applications, patents sharing a common priority, and similar patents filed by the same applicant. This ensures that unnecessary restrictive interpretations, which could affect the scope of protection and subsequent enforcement actions by the patentee, are avoided.

Conclusion

Through case studies, we provide insights into the application of the estoppel doctrine in Chinese patent litigation, highlighting considerations for patentees.

Countermeasures include:

- Providing focused statements of opinions during the authorization stage.
- Avoiding exaggerated claims of technical problems.
- Strategically handling the abandonment of technical solutions.

During rights confirmation, patentees should seek broad protection and avoid excessive restrictive amendments to prevent adverse effects on subsequent enforcement. Attention should also be given to related patents, including divisional applications and those from the same applicant, to ensure comprehensive protection and avoid unnecessary restrictive interpretations. By implementing these measures, patentees can navigate the estoppel doctrine effectively and protect their intellectual property rights

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With over 9 years of professional experience in intellectual property, Bingyao brings a wealth of expertise to the table. As a qualified patent attorney in China and possessing a legal professional qualification, Bingyao holds dual master's degrees in electronic information and law. Bingyao has a diverse background in IP. She was a patent examiner with experience in corporate intellectual property management and agency services. Bingyao specializes in electronic information and semiconductor technology, and they have extensive experience in patent invalidation, freedom-to-operate analysis, patent mining, and patent portfolio development. Contact Bingyao at bingyao.liu@purplevineip.com.

2022 Annual Report from the Chinese National IP Administration

The Chinese National Intellectual Property Administration (CNIPA) recently released its 2022 Annual Report. The report highlights the key IP activities in China in 2022.

Patent prosecution

1.619 million

Total **invention patent applications** in 2022, a 2.1% increase compared with 2021

9.6%

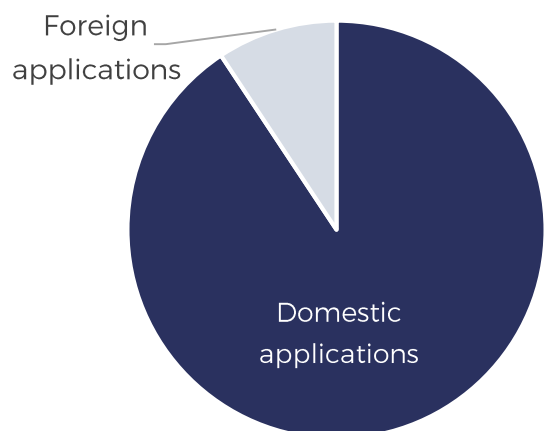
Of invention patent applications are from **foreign applicants**, a 2% decrease compared with 2021

2.951 million

Total **utility model applications** in 2022, a 3.5% increase compared with 2021

0.795 million

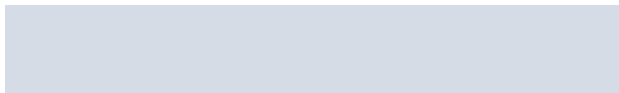
Total **design applications** in 2022, a 1.4% decrease compared with 2021



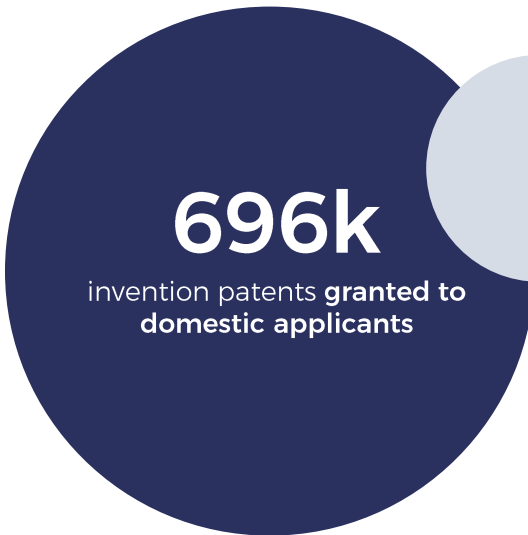
Patent Examination Period



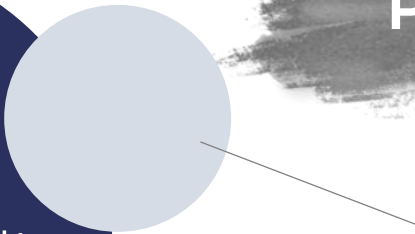
13 months for high-value patent examination on average



16.5 months for patent examination on average



Patent Granted



102k

invention patents granted to foreign applicants, accounted for 12.8% of the total invention patents (both domestic and foreign) granted.

Valid Patents

4.21 millions

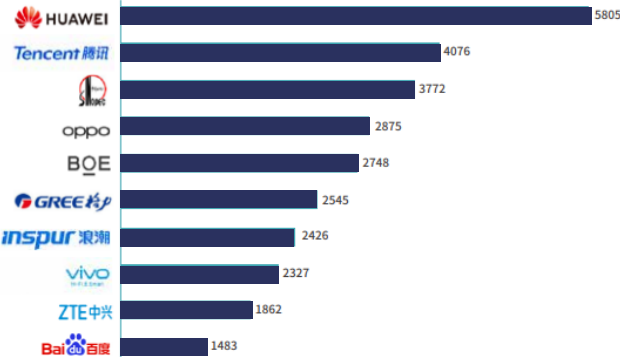
Valid invention patents as of the end of 2022 in China. Among others, valid invention patents from foreign applicants account for 0.86 million.

20.4% for foreign applicants

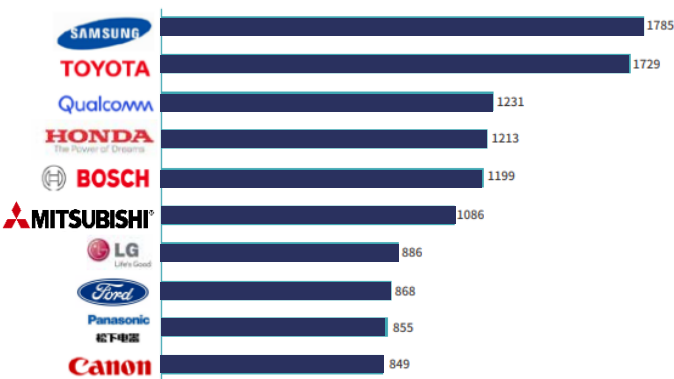


Top 10 patent owners

Domestic applicants

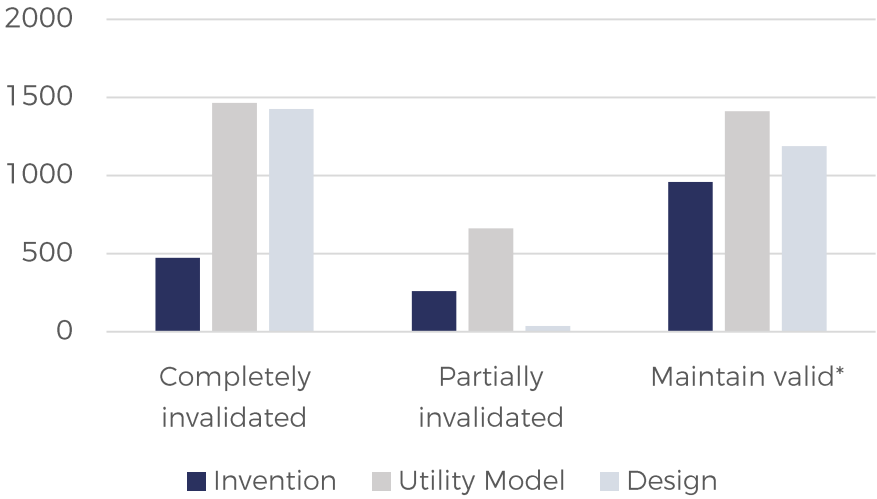


Foreign applicants



Patent Invalidation

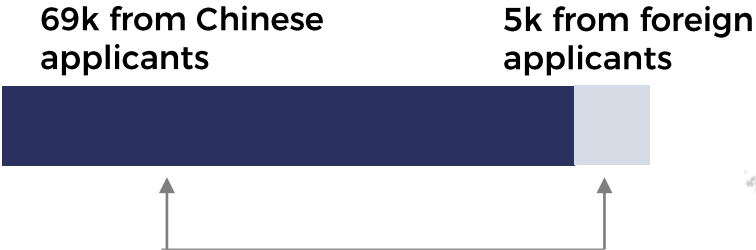
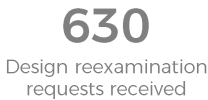
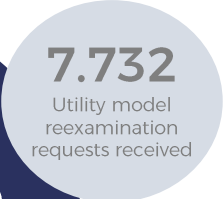
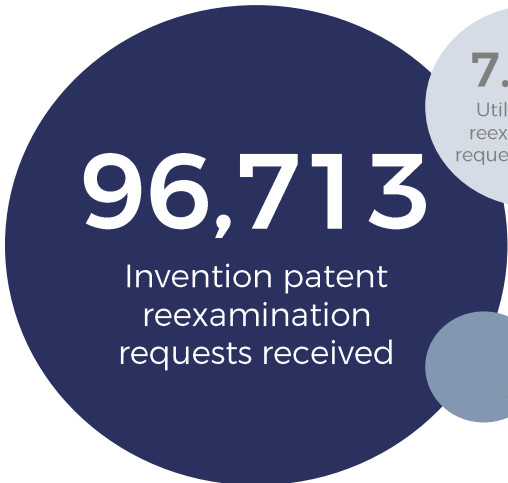
Invalidation decisions in 2022



7,095
Invalidation requests received in 2022

* Including cases of maintaining validity, rejecting requests, deemed withdrawals, and cases where the invalid requester voluntarily withdraws

Patent Reexamination



74k

PCT applications received by China.

PCT Applications

Administrative Adjudication

In 2022, a total of **1,645** cases were filed in the people's court by administrative counterparties who disagreed with the administrative decisions made by the patent reexamination and invalidation authority, accounting for 2.3% of the total cases received by the authority.

Trademark Applications

0.21 million from foreign countries

7.3 millions from China

Trademark Examination

7.05 millions

Total trademark examined in 2022, a 33.2% decrease compared with 2021

4 months

trademark examination period in average

Trademark Registration

0.17 million trademarks registered by foreign applicants

6 millions trademarks registered by Chinese applicants

**42.67
millions**

Valid registered
trademarks as of the end
of 2022 from Chinese
applicants

2.03

millions
Valid registered
trademarks as of
the end of 2022
from foreign
applicants

**Valid Registered
Trademarks**

Madrid Trademark Registration

Top Goods and Services for **Chinese Applicants** in 2022 Madrid Trademark Applications

- 1.** Class 9 (Scientific instruments, computers, digital storage media, etc.)
- 2.** Class 7 (Machines, machine tools, motors, etc.)
- 3.** Class 35 (Advertising, business management, etc.)
- 4.** Class 42 (Scientific and technological services, etc.)
- 5.** Class 12 (Vehicles, transportation equipment, etc.)

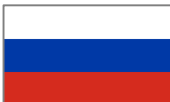
Top Goods and Services for **Foreign Applicants** Designating China in 2022 Madrid Trademark Applications

- 1.** Class 9 (Scientific instruments, computers, digital storage media, etc.)
- 2.** Class 42 (Scientific and technological services, etc.)
- 3.** Class 35 (Advertising, business management, etc.),
- 4.** Class 41 (Education, training services, etc.),
- 5.** Class 5 (Pharmaceuticals, etc.).

China's Top Ten Contracting Parties for Madrid Trademark International Registrations in 2022



1. U.S.



2. Russia



3. Japan



4. U.K.



5. Indonesia



6. South Korea



7. Thailand



8. Malaysia



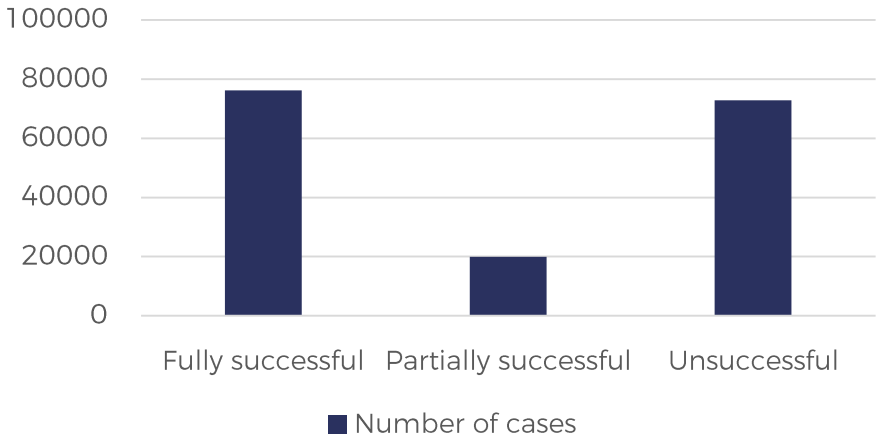
4. Vietnam



5. E.U.

Trademark Opposition

Success rate of trademark oppositions in 2022



169,000

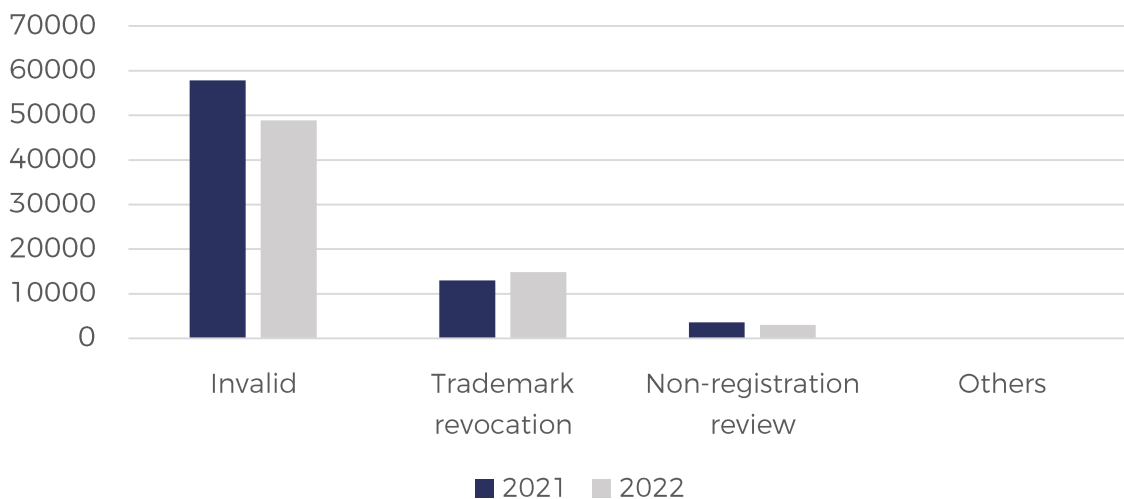
Trademark oppositions were reviewed, a 3.2% year-on-year increase, with an average review period of 11 months.

Trademark Examination

Trademark Review Filings Decrease with Significant Rejection and Completion Rates in 2022

In 2022, a total of 423,000 applications for various types of trademark review cases were received, representing a decrease of 10.6% compared to the previous year. Among them, 332,000 cases were rejected upon review, and 91,000 cases were complex cases. In 2022, a total of 412,000 trademark review cases were completed, showing a 7.5% year-on-year increase. Among them, 345,000 rejected cases were finalized, and 67,000 were complicated cases.

Trademark review results in 2022



[The original article is available at CNIPA's website: click here to read the full report \(in Chinese\)](#)

State Administration for Market Regulation Issues "Provisions on Prohibiting the Abuse of Intellectual Property Rights to Exclude or Restrict Competition"

China's State Administration for Market Regulation (SAMR) has issued the "*Provisions on Prohibiting the Abuse of Intellectual Property Rights to Exclude or Restrict Competition*" to promote innovation, ensure fair competition, and support the development of a unified national market and strong intellectual property system. Effective from August 1, 2023, these provisions address emerging challenges in antitrust enforcement.

The revised provisions aim to strike a balance between intellectual property protection and fair competition. They broaden the definition of "abuse of intellectual property rights to exclude or restrict competition" to cover three categories of monopolistic behavior. The rules also refine criteria for identifying such behavior, including market definition, assessment of market dominance, and recognition of monopolistic practices resulting from the exercise of intellectual property rights.

Moreover, the provisions focus on regulating specific monopolistic practices in the

intellectual property field. They strengthen regulations on patent pools, prohibiting entities and members from engaging in monopolistic actions. Additionally, the provisions address monopolistic behaviors related to standard-setting, forbidding business operators with market dominance from engaging in "patent hold-up" using standards-essential patents.

The SAMR's aim is to integrate intellectual property protection with antitrust measures, fostering the orderly flow of innovative elements and maintaining a fair market order. By doing so, China seeks to create an environment conducive to innovation-driven economic growth while upholding fair competition principles.

Original press release can be found [here](#) (in Chinese).

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