

The Balance Between China's Patent Invalidation System and Patent Infringement Litigation

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Abstract—In China, the patent invalidation system and patent infringement litigation system are developed by different subjects and different programs. In practice, the system of patent invalidation is interwoven with the system of patent infringement litigation, and the decision of patent validity is the key factor for the success or failure of patent infringement litigation. The process of patent confirmation and administrative litigation involved in the system of patent invalidation is bound to produce such problems as "circular litigation" and prolong the process of patent litigation. It is an effective way to balance the two systems by optimizing the design of the patent invalidation system and effectively connecting the patent invalidation system with the patent infringement lawsuit.

Keywords—*patent invalidation; patent infringement litigation; system optimization; institutional equilibrium*

I. INTRODUCTION

In the process of patent infringement cases, an increasing number of patent infringers will request patent reexamination for the board to determine the patent invalid as a favorable procedure, and for the court, whether the patent is valid or not is a prerequisite for the judgment of patent infringement cases.[1] The crux of the whole process is that the litigation process of patent infringement cases will become long and complicated due to the patent invalidation procedures, cause the waste of judicial resources, increase the cost of litigation. Patent invalidation system of the party subject to the patent re-examination board, one side for invalid patent claims (alleged infringer of a patent infringement lawsuit), patent infringement litigation involving the patentee and the alleged infringer, therefore in the whole process, the patent re-examination board has nothing to do in their own interests under the premise of involved the possibility of administrative litigation, making it in the awkward position. [2] Therefore, how to balance the relationship between China's patent invalidation system and patent infringement litigation becomes the key to solve a series of problems.

II. THE IMPACT OF PATENT INVALIDATION SYSTEM ON PATENT INFRINGEMENT LITIGATION

The impact of the patent invalidation system on patent infringement litigation can be analyzed from two aspects: on the one hand, the impact of the patent invalidation decision

on patent infringement litigation; on the other hand, the defect of the patent infringement litigation procedure itself makes the patent invalidation system have an impact on it.

A. *The Influence of Patent Invalidation Decision on Patent Infringement Litigation*

The impact of patent invalidation decision on patent infringement litigation is mainly reflected in the extension of the litigation period. In the process of patent infringement litigation, whether the patent is valid or not is directly related to how judges judge. The time limit for the patent reexamination board to examine whether the patent is valid is bound to affect the time limit for hearing patent infringement cases. If an administrative action is brought based on a decision that the patent is valid (or invalid), the time frame for a patent infringement case will be extended.

Either the patentee or the person accused of infringement may challenge the decision made by the patent reexamination board that the patent is valid (or invalid) and take the patent reexamination board as the defendant to file an administrative lawsuit for relief. After the administrative proceedings, the court can only make a decision to maintain or revoke the validity (or invalidity) of the patent, but cannot make a decision on the validity of the patent. In the case of revocation of a reexamination, the patent reexamination board shall examine the validity of the patent, and the time of examination shall extend the time limit of the case.

B. *The Procedure Design of Patent Infringement Lawsuit Leads to the Retrial Problem*

The impact of the patent invalidation system on patent infringement litigation is reflected in the retrial, which is related to whether the patent infringement litigation is suspended during the patent validity examination. When a patent infringement case is tried, the person accused of infringement may, within the period of reply, request that the patent be declared invalid. If the case is a patent for utility model or design, the people's court shall terminate the trial (except where the patent right is maintained after examination by the patent reexamination board). If the case is a patent for invention, the people's court may not suspend the trial. Based on this, the court waives the administrative prerequisite without suspending the hearing, [3] the number of retrials will increase. The reasons for retrial may be the

patent invalidation decision itself, the administrative lawsuit brought against the patent invalidation decision and the conflicts of multiple invalidation decisions.

To sum up, the contradiction between patent invalidation system and patent infringement lawsuit is that patent protection relies on two relief channels, administrative and judicial, which are different. The two kinds of channels have their rationality and legitimacy in their respective legislation level, but there are many conflicts in the process of practical operation.

III. DEFECTS IN THE JUDGMENT OF PATENT VALIDITY IN THE LITIGATION PROCEDURE

Whether the conflict between the patent invalidation system and patent infringement cases can be balanced by the judgment of patent validity through the civil procedure is a question that has been discussed in the academic circle. In the author's opinion, such an approach can solve the problem of the trial cycle of the case, and at the same time solve the embarrassing position of the patent reexamination board in the intermediate review and the lawsuit involved.

First, the problem of judging the validity of patent solved by litigation cannot fundamentally solve the problem of judicial efficiency. To be specific, the development of science and technology and the introduction of national innovation policies have greatly increased the number of patent authorization, and patent infringement has become more frequent. Referring to the patent authorization period, the period of judging the validity of patent will be longer, which cannot fundamentally solve the problem of judicial efficiency.

Second, litigation to solve the problem of patent validity judgment will increase the cost. As far as invention patent is concerned, professionalism is its important characteristic, and it needs substantial examination. Patent examiners need strong professional knowledge, which is difficult for judicial workers. Then the court needs to establish a patent review team, the human resources cost increases.

Third, the division of functions and powers: after conducting substantive examination of a patent, the patent licensing authority shall be responsible for the patent it has authorized. If the problem of patent validity is solved through litigation, it will have a bad effect on the division of authority and the quality of patent authorization.

IV. THE LEGITIMACY OF THE EXISTENCE OF PATENT INVALIDATION SYSTEM

Patents are private rights, but they have broad implications for the public good. [4] The existence of the patent review board cannot be eliminated even if the validity of the patent is judged in the process of litigation. Because the applicant for patent invalidation examination not only includes the accused infringer in the patent infringement lawsuit, but also includes other natural persons or units that think the patent is invalid. Based on this, the patent invalidation system has its legitimacy.

First, the existence of patent invalidation system is not only to solve the patent validity judgment involved in patent infringement litigation, but any natural person or entity can apply for patent validity examination. Therefore, the patent invalidation system is actually a kind of post-examination and supervision of patent authorization, which is conducive to better innovation.

Second, the examination of the validity of the patent is also the supervision of the patent reexamination board on the authorization of the patent, that is, the examination of the authorization of the patent, and such supervision is irreplaceable. This gives the Patent Office the opportunity to self-correct errors, which will improve the quality of the patent and enhance the patentee's trust in the patent authorization and examination of the Patent Office.

Third, the existence of the patent invalidation system can reduce costs and improve efficiency, and the system can supplement patent infringement litigation to ensure the correct judgment.

V. SUGGESTIONS ON BALANCING PATENT INVALIDATION SYSTEM AND PATENT INFRINGEMENT LITIGATION

It is the 10th anniversary of the promulgation and implementation of the outline of the national intellectual property strategy (hereinafter referred to as the outline). Since the 18th national congress of the communist party of China, more emphasis has been placed on the establishment of a "great protection" system for intellectual property. Among them, it is clearly stipulated that the intellectual property protection should be guided by the judicial protection and supplemented by the administrative protection. Based on this, the author believes that some scholars advocate the complete abandonment of the patent invalidation system is adverse to the patent protection. The problem of long litigation period and retrial can not be solved simply by incorporating patent validity judgment into patent infringement proceedings, and such a single dispute resolution mechanism is not the best choice.[5] Therefore, balancing the patent invalidation system and patent infringement lawsuit is quite effective to solve this problem.

A. *Optimizing the Patent Invalidation System*

From the perspective of the development history of the reexamination procedure after patent authorization, China has experienced a change from diverse to single, that is, the patent invalidation system. This change could meet the demand when the number of patent application and authorization was low and the number of patent dispute cases was small. However, with the rapid growth of two data sets, this single program setup cannot meet the requirements. Restricted by law, the provisions of the patent invalidation system generalization, namely the main body of patent invalidation of any natural person and unit, will lead to abuse of right, especially patent operations entrusted by others to review the effectiveness of the patent, will delay the process of licensing and the patent infringement cases.

In the patent invalidation system, if the party concerned is not satisfied with the decision made by the patent reexamination board on the validity of the patent, it may file an administrative lawsuit with the people's court, making the patent reexamination board that mediates the examination become the defendant, while the other party participates in the administrative lawsuit as a third party. The result of the lawsuit has no definite profit or loss for the patent reexamination board, and the final result of the lawsuit shall either be borne by the plaintiff of the administrative lawsuit or by the party that participates in the administrative lawsuit as a third party, resulting in the inequality of the litigation relationship.

Therefore, the reform of the patent invalidation declaration system should start from the detailed provisions. For example, the applicant of patent invalidation system is restricted to prevent the professional patent operating agencies from abusing the right of application; To limit the application time, the patent will have a rather long announcement period in the examination authorization, the purpose is to eliminate the objection, the patent invalidation application after the patent authorization should be made time limit, because the law does not protect "people who sleep on the right"; the patent reexamination board shall make a corresponding decision on the validity examination of the earlier applicant's application for a patent, and the decision shall also specify the applicable validity of the subsequent patent infringement proceedings; The conditions of patent invalidation involved in the procedure of patent invalidation declaration shall be specified.

The patent invalidation system may make different provisions in the examination procedure. Cases in which the patent is obviously valid (or invalid) can be dealt with as soon as possible through written examination under the premise of conforming to legal procedures, but cases in which the patent is partially valid (or invalid) are excluded. [6] For cases in the intermediate state, must carry on the oral hearing in principle, because of the invention patent in the authorization has done substantial examination, the patent for utility model without substantial examination when authorization, therefore, form, creative problems in open procedures, adopt can within the scope of discretion, tend to be decided that it did not.

In addition to the above detailed provisions on the patent invalidation system, we should supplement from the outside. For example, restoring the patent objection process, [7] after the examination, authorization and objection procedure, the ownership of the patent can be determined, which can reduce the occurrence of patent disputes to a certain extent. At the same time, it is necessary to stipulate the difference of the objection procedure for different subjects, and make effective connection with the patent invalidation declaration system.

B. The Content and Effectiveness of Judgment in Administrative Litigation

Where the applicant or the patentee is not satisfied with the decision made by the patent reexamination board on the

examination of the validity of the patent, the applicant or the patentee shall have the right to bring an administrative action, but the administrative action cannot solve any substantive problem. To be specific, administrative litigation judgment can only be made to maintain or cancel and ordered to repeat the judgment. If the administrative litigation judgment can directly make the judgment on the validity of the patent on the basis of the patent reexamination board's prior examination, together with the cross-examination between the right holder and the applicant, can it solve the non-finality of the administrative judicial judgment to some extent?[8] I think it is feasible. The reasons are as follows:

First, the effect of administrative litigation is different from that of patent infringement litigation. To be specific, the basis of administrative litigation is that the patent reexamination board has made a decision on whether the patent is valid, and in the process of litigation, the patent reexamination board participates in the litigation as the defendant, so it has the professional requirements to examine whether the patent is valid.

Second, although some scholars believe that in administrative litigation, the hearing standard of substantive issues may be inconsistent with the standard of patent review board, so administrative litigation only hears procedural issues. However, in practice, the court's professionalism in patent cases has been improved, coupled with the establishment of special courts, so that the above wrong understanding no longer exists. Therefore, it is feasible for administrative litigation to decide the validity of patent together.

Third, when the patent reexamination board examines the validity of a patent, it rarely carries out a substantive review of the patent. Therefore, it is less difficult to decide the validity of patent in administrative litigation.

C. Establishing Patent Infringement Proceedings

The patent infringement proceedings involve the contents of the civil procedure law, if the person accused of infringement applies to the patent reexamination board for examination of the validity of the patent, and refuses to accept the decision, an administrative lawsuit shall be filed, involving the contents of the administrative procedure law. In order to solve the problem of the patent reexamination board withdrawing from the administrative litigation between the parties, and to link up the patent invalidation system with the patent infringement litigation, it is particularly important to establish special procedures for patent infringement.

Although there are many judicial interpretations in China to supplement patent infringement proceedings and patent invalidation declaration system, conflicts between them and other procedures are inevitable. We can make use of the establishment and operation of the intellectual property court to reasonably design and arrange the connection between the patent invalidation declaration system and patent infringement litigation on the basis of solving the impartiality and professionalism of the judgment of patent infringement cases. In the process of the popularization of

intellectual property court, the author probes into the litigation procedure of intellectual property and finds out a system that not only conforms to the justice of judgment, but also gives consideration to the efficiency of judgment. For example, the patent invalid decision of the patent invalidate is determined to limit it to the client; the decision to make a patent is valid, and the third person can't be prohibited from asking for an invalid.

D. The Intellectual Property Court Should Make Fundamental Efforts

The establishment of intellectual property court is a significant progress in China's intellectual property protection, which greatly improves the professionalism and rationality of the hearing of intellectual property cases. In order to balance the patent invalidation system and patent infringement litigation, the intellectual property court should do two basic works. On the one hand, the professional degree of judges should be improved, the system of technical investigation officer should be improved, a diversified mechanism for finding out technical facts should be established, and the system of technical investigation officer should be effectively connected with the system of expert consultation, expert assistant, technical appraisal and expert juror. [9] On the other hand, we should concentrate on patent cases and unify judgment standards and examination standards to ensure that cases are heard fairly and reasonably.

VI. CONCLUSION

It is not feasible to solve the connection between patent invalidation system and patent infringement litigation by relying solely on administrative procedure or single litigation procedure. The status of the patent reexamination board in administrative litigation cannot be changed. Therefore, the contradiction between the two procedures should be realized by means of the intellectual property court on the basis of separate optimization. The patent invalidation declaration system shall specify the provisions on the applicant and the application period, and design the patent examination procedures differently. At the same time, the patent objection procedure should be added to increase the correctness of patent authorization and reduce the occurrence of invalid patent application and patent infringement. In the administrative proceedings against which the patent reexamination board refuses to accept the decision of the patent reexamination board, the patent reexamination board shall participate in the court hearing and, on the basis of the evidence presented by the parties, make a judgment on the validity of the patent. The establishment of intellectual property court should promote the formulation of litigation procedure of intellectual property infringement cases in order to eliminate the contradiction between intellectual property relief procedure and other procedures. At the same time, the intellectual property court should establish a perfect system of technical investigating officer to enhance the ability of hearing intellectual property infringement cases.

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