THE SUPREME PEOPLE’S COURT ANNUAL REPORT ON INTELLECTUAL PROPERTY CASES (2017) (China)

Translated by Ida L. Knox, Ruixiang (Ray) Xu, and Weichen Zhu†

Abstract: The Supreme People’s Court of China began publishing its Annual Report on Intellectual Property Cases in 2008. The Annual Report summarizes intellectual property cases, such as patent, trademark, trade secrets, copyright, and unfair competition cases. This 2017 Annual Report examines 42 cases and includes general guidelines for legal application. This summary reflects the Supreme People’s Court’s thoughts and approaches for ruling on new and complex IP and competition cases.


I. INTRODUCTION

In 2017, the Intellectual Property (IP) Division of the Supreme People’s Court accepted a total of 897 new IP cases. Among the new cases, there were 15 second-trial cases, 56 review cases, 796 retrial cases, 29 appeal cases, and 1 reconsideration case.

When categorized by type of object involved in the cases, there were 336 patent cases, 9 new variety of plant cases, 395 trademark cases, 29 copyright cases, 1 integrated circuit layout design case, 4 monopoly cases, 11 trade secrets cases, 14 other unfair competition cases, 57 IP contract cases, and 41 other cases (mainly related to IP trial matters). When categorized by the nature of the cases, there were 390 administrative cases, of which 68 were administrative patent cases, 268 administrative trademark cases, 9 administrative guidance cases, and 5 other administrative cases. There were a total of 501 civil cases, 5 criminal cases, and 1 reconsideration case.

The IP Division tried and closed 910 IP cases in total, including 13 second trial cases, 58 review cases, 808 retrial cases, 30 instruction cases, and 1 reconsideration case. Among the 808 retrial cases, there were 366 administrative retrial cases, 442 civil retrial cases. The IP Division rejected

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615 retrial cases, reviewed 98 cases, retried 66 cases, and withdrew 22 cases (including reconciliation). There were 7 cases that the IP Division decided to settle in alternative ways.

The characteristics and trends of the cases handled by the SPC in 2017 are as follows:

1. The proportion of IP cases related to patents and trademarks still has remained the highest. The number of patent civil cases and trademark administrative cases have increased;
2. Distinguishing of technical features and interpretation of claims are still the core controversy in most administrative civil cases. Moreover, related cases involving disputes over the inventor’s reward of job-related invention or creation and compensation accounted for a large proportion of cases;
3. Evaluation of novelty and creativity is still the core controversy in most patent administrative cases;
4. Administration enforcement cases of patents primarily included illegal procedure issues, and the judicial supervision function of administration enforcement was constantly strengthened;
5. In trademark civil cases, legitimate use, legal source, and priority right became the prevailing reasons for defense;
6. Trademark similarity, similar commodities, and protection of prior rights were still the main focuses of administration cases for trademarks. The number of copyright cases has declined, and the originality judgment remains the main focus and difficulty in the cases;
7. In competition-related cases, disputes over infringement of commercial secrets, unauthorized use of special names of famous commodities, and packaging and upholstery accounted for a relatively large proportion. Trial of competition-related cases played a more prominent role in guiding the order of market competition order;
8. Antitrust cases accounted for a relatively small proportion. Identification of the relevant market and whether the operator had a dominant market position remain as the prime areas of debate for the courts;
9. Cases involving new varieties of plants have increased, mainly regarding the identification of infringement in transactions and the comparison of the types of infringement;
10. Breach of contracts and rescission of contracts are prominent in cases of technical contracts and disputes over franchise contracts.

The following are 33 legal issues significant to the field of IP in China. They were published in the 2017 Supreme People’s Court Annual Report on Intellectual Property Cases.
I. PATENT CASES

A. Civil Patent Cases

1. The impact of statements in the confirmation process of other patents made by the parties who share the joint rights of the patent at issue

In Dyson Technology Limited v. Suzhou Su-vac Electric Motor Co., Ltd.,¹ the SPC held that the definition in the confirmation process of claims can be interpreted by using the statement in the confirmation process of other patents made by the parties who share the joint rights of the patent at issue.

2. Restrictions on applying estoppel in patent infringement cases

In Cao Guilan v. Chongqing Lifan Automobile Sales Co., Ltd.,² the SPC held that courts need to consider whether the statement made by the parties conforms to the “clear denial” provided in Article 13 of “the SPC’s interpretation (II) on several issues concerning the application of law in the patent infringement case,” when applied to estoppel in patent infringement cases. Courts shall make an objective and comprehensive judgment of the technical features in the authorization and confirmation process. Courts shall focus on whether the statements shall be confirmed and whether it will lead to the confirmation or support of the patent right at issue.

3. The standard of defining the technical features in patent infringement cases

In Liu Zonggui v. Taizhou Fenglilai Plastic Co., Ltd.,³ the SPC held that the appropriate division of the technical characteristics of the patent rights was the basis for the comparison of the infringement. The division of technical characteristics should be combined with the overall technical scheme of the invention,
taking into consideration the small technical units that could achieve technical functions and produce technical effects independently.

4. Parts with only technical functions do not constitute infringement of appearance designs

In Ou Jieren v. Taizhou Jinshen Household Articles Co., Ltd., the SPC held that the production of, use as an infringing part in other products, and sale of an infringing part, does not constitute infringement, if such part only has technical functions in other products.

5. The manufacturing act in the patent infringement cases

In Shenyang China Railway Safety Device Co., Ltd. v. The Research Center of Speed Control System of Retarder of Harbin Railway Bureau and Ningbo China Railway Safety Device Manufacturing Co., Ltd. & Harbin Railway Bureau, the SPC held that, even though the accused had not directly participated in manufacturing the alleged infringed product, it could be presumed that the accused had committed the manufacturing act of infringement, if the accused controls of the manufacturing act of others or marks the name of the accused’s enterprise and exclusive product model on the finished products.

6. The non-shape or structure-type technical characteristics of utility models patents are not considered in principle when determining the plea of existing technology

In Tan Xining v. Zhenjiang New Area Hengda Silica Gel Co., Ltd., the SPC held that the object of utility model patents is to protect the shape, structure, and the combination of both of an invention. Thus, in a claim, the non-shape or structure-type technical characteristics do not contribute to the novelty and creativity of the claim. Moreover, in a patent infringement case

4. 仅具有技术功能的零部件不构成外观设计侵权

在再审申请人欧介仁与被申请人泰州市金申家居用品有限公司侵害外观设计专利权纠纷案【（2017）最高法民申 2649 号】中，最高人民法院指出，将侵犯外观设计专利权的产品作为零部件，制造另一产品并销售的，如零部件在另一产品中仅具有技术功能，该行为不构成侵权。

5. 专利侵权案件中制造行为的认定

在再审申请人沈阳中铁安全设备有限责任公司与被申请人哈尔滨铁路局减速顶调速系统研究中心、宁波中铁安全设备制造有限公司及一审被告哈尔滨铁路局侵害实用新型专利权纠纷案【（2017）最高法民再 122 号】中，最高人民法院指出，被诉侵权人虽未直接制造被诉侵权产品，但根据其对他人制造行为的控制、最终成品上标注的被诉侵权人企业名称和专属产品型号等因素，可以推定被诉侵权人实施了制造行为。

6. 实用新型专利的非形状构造类技术特征在认定现有技术抗辩时原则上不予考虑

在再审申请人谭熙宁与被申请人镇江新区恒达硅胶有限公司侵害实用新型专利权和外观设计专利权纠纷案【（2017）最高法民申 3712 号】中，最高人民法院指出，实用新型专利的保护对象是由形状、构造及其结合所构成的技术方案，故权利要求中非形状构造类技术特征对于该权利要求的新颖性和创造性不产生贡献。因此，在实用新型专利侵
of utility models, whether the existing technology discloses non-shape or structure-type technical characteristics recorded by the claim will not be considered in principle when determining the claimed infringement belongs to existing technology.

B. Patent Administrative Cases

7. Identifying and handling procedural violation in patent administration enforcement

In Xixia Longcheng Special Type Material Co. v. Yulin Municipal Intellectual Property Office, the SPC held that the action of signing the administrative decision, regarding administrative panel members who have already been subject to adjustment, severely violated the legal procedure. The administrative decision panel, should constitute those who are certified in enforcing patent administrative law from the Patent Administrative Agency. The enforcement staffs enlisted from other places are required to complete a formal documentation process.

8. Determining the commencement point of the statute of limitations for an administrative appeal

In Beijing Tailong Automatic Equipment Co., Ltd., v. WANG Yu and Henan Provincial Intellectual Property Office, the SPC held that the statute of limitations should be calculated from the day when specific administrative acts are known, should have been known, or such acts are made, instead of the day when such acts are known or should have been known as illegal.

9. Determining whether a patent specification is complete

In Staubli Faverges Co. v. Changshu Textile Machinery Factory Co. and the Patent Review Board of State Intellectual Property Office, the SPC held that in order to determine if a patent
specification is clear and complete, one should look to see if technicians in the field can understand and carry out technical solutions. If the technicians in the field can understand, discover, and rectify mistakes when reading the disclosed contents of the patent specification and the understanding and rectification will not lead to a change of technical solutions mentioned in the claim, then the mistakes are allowed to be corrected.

10. Determining whether a claim of right is based on the patent specification

In Sensing Electronics Co. v. Patent Review Board of State Intellectual Property Office, and Ningbo Xunqiang Signatronic Technology Co.,\(^{10}\) the third party in the first trial (referred to as an administrative dispute over invalid invention patent on Electronics Monitoring Indicator), the SPC held that the owner of the patent is entitled to draft the claim in a reasonably summarized manner in order to obtain reasonable protection of the patent. The protection scope requested by the claim should be consistent with the technical contribution of the patent involved as well as the scope of the fully disclosed part of the specification.

11. Determining whether the claim is based on the patent specification

In the preceding “Sensing” case,\(^{11}\) the SPC held that, in patent specification claims, several factors will be considered when ascertaining the type of technical problems the patent intends to solve and the technical effects the patent intends to achieve. These factors are: (1) the background techniques described and its shortcomings in the specification, (2) “invention purposes,” (3) “technical problems to be solved” and “beneficial effects” in Contents of the Invention, (4) the relevant contents related to the “technical problems,” and (5) “beneficial effects” in the specific implementation methods. However, the technical problems redefined by

在再审申请人传感电子有限责任公司与被申请人国家知识产权局专利复审委员会、第三人宁波讯强电子科技有限公司发明专利权无效行政纠纷案（简称“电子货品监用标识器”发明专利权无效行政纠纷案）【（2016）最高法行再 19 号】中，最高人民法院指出，权利人有权在说明书充分公开的具体实施方式等内容的基础上，通过合理概括的方式撰写权利要求，以获得适度的保护范围。权利要求限定的保护范围应当与涉案专利的技术贡献和说明书充分公开的范围相适应。

11. 在认定权利要求是否以说明书为依据时，涉案专利所要解决的技术问题的确定

在前述“电子货品监用标识器”发明专利权无效行政纠纷案中，最高人民法院指出，在认定权利要求是否以说明书为依据时，可以结合说明书中记载的背景技术及其存在的缺陷，发明内容中记载的“发明目的”“所要解决的技术问题”“有益效果”，以及具体实施方式中与“技术问题”“有益效果”相关的内容等，对涉案专利所要解决的技术问题和实现的技术效果进行认定。根据权利要求与“最接近的现有技术”的区别技术特征所重新确定的“实际解决的技术问题”可能不同于涉案专利所要解决的技术问题，不能直接作为认定权利要求是否以说明书为依据的基础。
the distinguishing technical characteristics of the technology “actually to be solved” cannot be directly used as a factor.

12. Determining whether the claim is based on the patent specification and whether the claim is original

In the preceding “Sensing” case, the SPC held that even if the claims are original, for each technology, including the distinguishing technical characteristics recorded therein, the court has discretion in deciding whether the characteristics are correctly summarized and whether the technical solutions defined in the claims are generally summarized as appropriate, in accordance with the Patent Law, Article 26, Paragraph 4.

13. The nature of Markush Claims

In Patent Reexamination Board of the State Intellectual Property Office v. Beijing Wansheng Pharmaceutical Co., Ltd. (referred to as "Markush Claims" case), the SPC held that the compound claims written in the form of Markush should be understood as a general technical plan, instead of a numerous collection of compounds.

14. The modifying principles of Markush Claims in invalid procedures

In the preceding “Markush Claims” case, the SPC held that the modification of compounds based on Markush claims are not allowed if the modification creates one type of or one single compound with new properties and effects. Moreover, courts should make the decision on a case by case basis.

15. The determination on creativity of Markush Claims

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In the preceding “Markush Claims” case, the SPC held that when judging the creativity of compound claims written in Markush representation, the “three-step method,” specified in the patent examination guidelines, should be followed. The unexpected technical effect is an auxiliary factor for judging creativity. Moreover, it is usually not appropriate to directly apply the “three-step method” in order to determine whether a patent is original.

16. Distinguishing technical features in invalidity of design patent cases

In YKK Co., Ltd. v. Patent Reexamination Board of the State Intellectual Property Office, the SPC held that if the main view of the exterior design patent does not have any clearly displayed feature in the 3D format, the feature cannot be considered as a distinctive technical feature of the design patent at issue when compared to a similar design.

II. TRADEMARK CASES

A. Civil Trademark Cases

17. The relationship between the protection of trademark and the popularity of the infringing trademark

In Cao Xiaodong v. Yunnan Xiaguan Tea (Group) Co., Ltd., the SPC held that a trademark is a symbolic civil right. The trademark right holder not only has the right to prohibit others from using the registered trademark logo on a similar product, but also has the right to use its registered trademark logo and establishes a link between the trademark logo and its source of goods to the relevant public. The confusion between the infringing trademark and the registered trademark includes that the public will confuse the infringing trademark with the registered trademark, and the public...
will confuse the registered trademark with the infringing trademark.

18. Considerations on the coexistence of trademarks and font sizes in special historical background

In *Taiyuan Daningtang Pharmaceutical Co., Ltd. v. Shanxi Pharmaceutical Company*, the SPC held that, when considering the unique historical background, market status, and choice of law, it would be fair to allow both parties to use the trademark and trade name in the market.

19. Determining the legal generic name

In *Fuzhou Rice Factory v. Wuchang Jinfutai Agricultural Co., Ltd., Fujian Xinhuaadu General Department Store Co., Ltd. Fuzhou Jinshan Dajingcheng Branch* case and other cases of trademark infringement disputes (referred to as “Taohuaxiang” infringement of trademark rights dispute cases), the SPC held that the name of a species (i.e., a variety denomination adopted by an administrative organization as pursuant to the administrative regulation) should not necessarily be regarded as the generic name from the perspective of trademark law. It cannot be based solely on the name of the variety that is approved for publication, and the name is deemed to be the generic legal name in the sense of trademark law.

20. Determining the conventional generic name

In the preceding “Taohuaxiang” cases, the SPC held that the relevant market for products is not limited to a specific region. The relevant market shall be determined on a nationwide basis. The standard in determining whether or not a mark is a generic is to look at common usage in the general public, nationwide.

21. Proper use of crop generic name

In申诉人太原大宁堂药业有限公司与被申诉人山西省药材公司商标侵权、不正当竞争纠纷案【(2015)民提字第46号】中，最高人民法院指出，在特殊历史背景下，对于使用与他人商标相同的字号是否构成商标侵权和不正当竞争，应当从历史传承、现实情况、法律适用和社会效果等方面综合考量。

18. 特殊历史背景下商标与字号共存的考量因素

在申诉人太原大宁堂药业有限公司与被申诉人山西省药材公司商标侵权、不正当竞争纠纷案【(2015)民提字第46号】中，最高人民法院指出，在特殊历史背景下，对于使用与他人商标相同的字号是否构成商标侵权和不正当竞争，应当从历史传承、现实情况、法律适用和社会效果等方面综合考量。

19. 法定通用名称的认定

在再审申请人福州米厂与被申请人五常市金福泰农业股份有限公司、福建新华都综合百货有限公司福州金山大景城分店等侵害商标权纠纷案(简称“稻花香”侵害商标权纠纷案)【（2016）最高法民再374号】中，最高人民法院指出，农作物品种审定办法规定的通用名称与商标法意义上的通用名称含义并不完全相同，不能仅以审定公告的品种名称为依据，认定该名称属于商标法意义上的法定通用名称。

20. 约定俗成通用名称的认定

在前述“稻花香”侵害商标权纠纷案中，最高人民法院指出，产品的相关市场并不限于特定区域而是涉及全国范围的，应以全国范围内相关公众的通常认识为标准判断是否属于约定俗成的通用名称。

21. 农作物品种名称的正当使用
In the preceding “Taohuaxiang” cases, the SPC held that if a person has previously registered the trademark, then the name of the crop can be used as the processed products of the crop. The name should be approved for publication. However, the use is limited to indicating the source of the crop variety and shall not be used deceivingly.

22. Determination of proper use in trademark infringement cases

In Feng Yin v. Xi’an Qujiang Yuejianglou Catering and Entertainment Culture Co., Ltd., the SPC held that if the main purpose of using part of the protected trademark in the infringer’s company’s name and other business activities is to describe the provided service, (2) if the infringer does not use the protected trademark completely, and (3) if there is no evidence that shows the infringer used the protected trademark to gain its reputation unfairly. The Court concluded that the alleged infringement does not have the possibility of confusion in the general public; thus, does not constitute as trademark infringement.

B. Administrative Trademark Cases

23. Factors for the approximation of trademarks

In Sichuan Yibin Wuliangye Group Co., Ltd. v. State Administration for Industry and Commerce Trademark Review Committee, Gansu Binhe Food Industry (Group) Co., Ltd., the SPC held that when determining the factors for the Approximation of Trademark used on the same or similar goods, the courts should consider the components, the prior use status, and the popularity of the objected trademark. If the public does not confuse the objected trademark with the cited trademarks, there is no approximation of the two trademarks.

24. Proof of the subject of prior copyright

In the preceding “稻花香”侵害商标权纠纷案中，最高人民法院指出，在存在他人在先注册商标权的情况下，经审定公告的农作物品种名称可以规范使用于该品种的种植收获物加工出来的商品上，但该种使用方式仅限于表明农作物品种来源且不得突出使用。

22. 商标侵权案件中正当使用的认定

在再审申请人冯印与被申请人西安曲江阅江楼餐饮娱乐文化有限公司侵害商标权纠纷案【（2017）最高法民申4920号】中，最高人民法院指出，被诉侵权人在其企业名称中及其他商业活动中使用相关符号的主要目的在于客观描述并指示其服务的特点，并且在其实际使用过程中，从未完整使用与涉案商标相同的图文组合形式，亦无证据显示被诉侵权人对相关符号文字的使用旨在攀附涉案商标的商业信誉，可以认定被诉侵权行为并不具有使相关公众混淆误认的可能性，进而不构成侵害涉案商标权。

（二）商标行政案件审判

在再审申请人四川省宜宾五粮液集团有限公司与被申请人国家工商行政管理总局商标评审委员会、甘肃滨河食品工业（集团）有限责任公司商标异议复审行政纠纷案【（2014）知行字第37号】中，最高人民法院指出，判断被异议商标与引证商标是否构成使用在相同或类似商品上的近似商标，应当综合考虑被异议商标和引证商标的构成要素、被异议商标的在先使用状况及知名度等因素，若不会导致相关公众的混淆误认，则应认定被异议商标与引证商标不构成近似。

24. 主张在先著作权适格主体的证明
In Wenzhou Yijiuliang Optical Co., Ltd. v. Dama Co., Ltd. and the State Administration for Industry and Commerce, the Trademark Review and Adjudication Board, the SPC held that the copyright owner and the stakeholder of the copyright may claim the prior copyright under the provisions of Article 31 of the Trademark Law. The copyright registration certificate filed after the trademark application cannot be used as evidence of ownership of the prior copyright. The trademark registration certificate filed before the trademark application date cannot be used as evidence of copyright ownership, and it can be used as prima facie evidence to determine the trademark owner as a stakeholder who has the right to claim the trademark logo.

25. The review and determination of which party has prior copyright rights

In Jiejie Co., Ltd. v. State Administration for Industry and Commerce, the Trademark Review and Adjudication Board and Jinhua Baizi Cosmetics Co., Ltd., the SPC held that it is necessary to comprehensively consider relevant evidence to determine whether the parties enjoy the prior copyright. When the date on copyright registration certificate is later than the filing date of the trademark, the company may confirm the relevant evidence by combining the trademark registration certificate, the webpage containing the trademark mark, the contents of the newspapers recording the creative process of the work, the physical objects, and the proof of the transfer of the copyright. When a complete evidence chain has been formed, it can be assumed that the parties have prior copyright in the trademark mark.

26. For the prior protection of a portrait there must be a distinguishing feature

In Michael Jeffrey v. State Administration for Industry and Commerce, Trademark Review Board, and Jordan Sports Co., Ltd., the SPC held that in the trademark law case in Wenzhou Yijiuliang Optical Co., Ltd. v. Dama Co., Ltd. and the State Administration for Industry and Commerce, the Trademark Review and Adjudication Board, the SPC held that the copyright owner and the stakeholder of the copyright may claim the prior copyright under the provisions of Article 31 of the Trademark Law. The copyright registration certificate filed after the trademark application cannot be used as evidence of ownership of the prior copyright. The trademark registration certificate filed before the trademark application date cannot be used as evidence of copyright ownership, and it can be used as prima facie evidence to determine the trademark owner as a stakeholder who has the right to claim the trademark logo.

25. 对他人是否享有在先著作权的审查认定

在再审申请人杰杰有限公司与被申请人国家工商行政管理总局商标评审委员会、一审第三人金华市百姿化妆品有限公司商标异议复审行政纠纷案【（2017）最高法行再 35 号】中，最高人民法院指出，对于当事人是否享有在先著作权，需要综合考量相关证据予以认定。在著作权登记证明晚于诉争商标申请日时，可以结合商标注册证、包含商标标志的网站页面、记载作品创作过程的报刊内容、产品实物、著作权转让证明等证据，在确认相关证据相互印证、已形成完整的证据链时，可以认定当事人对该商标标志享有在先著作权。

26. 作为在先权利保护的“肖像”应当具有可识别性

在再审申请人迈克尔•杰弗里•乔丹与被申请人国家工商行政管理总局商标评审委员会、一审第三人乔丹体育股份有限公司商标争议
set out the criteria for the protection of rights of a portrait. That is, the rights of the portrait of an individual protectable by the law must be identifiable. Among other identifiable figures, the facial figures frequently used to identify a person from others and shall be the most important factor. It should contain personal characteristics sufficient enough to enable the public to identify the corresponding rights subject.

III. COPYRIGHT CASES

27. Criteria for the identification of model works:

In Shenzhen Feipengda Boutique Manufacturing Co., Ltd. v. Beijing Zhonghang Zhicheng Technology Co., Ltd., the SPC held that when determining whether a model work is protected by the copyright law, the provisions of the model work of Article 4(13) of the Implementing Regulations of the Copyright Law cannot be separated from Article 2. If the case only satisfies the provisions of Article 4(13), it is not yet seen as model works under the protection of by the Copyright Law.

28. Calculating the damages and compensation of infringement when using other’s works as trademarks

In Li Yanxia v. Jilin City Yongpeng Agricultural Product Development Co., Ltd., the SPC held that the unlicensed use of another person’s work as a trademark constitutes copyright infringement. Compensation and damages for infringement should not be calculated on the basis of the copyright holder or the benefit gained by the copyright infringer; rather, it should be an issue of copyright royalties. The fee for the trademark design of the accused infringer can be used as a reference for determining the copyright license fee.
IV. UNFAIR COMPETITION CASES

29. There should be a correlation between the package and the product for uniquely packaged, well-known goods

In Guangdong Jiaduobao Beverage & Food Co., Ltd. v. Guangzhou Pharmaceutical Group Co., Ltd., 29 the SPC held that Article 5, Paragraph 2 of the Anti-Unfair Competition Law states that there is an inseparable relationship between “well-known goods” and “unique packaging and labels.” The law can only target products that use unique packaging and labels. Abstract product names or products without clear and meaningful concepts are separate from packaging attached to specific goods to which the law applies. The lack of availability of evaluations on the practical use is not in accordance with the language in Article 5, Paragraph 2 of the Anti-Unfair Competition Law.

30. Factors used to determine packaging rights of ownership for well-known goods

In the preceding “Jiaduobao” case, 30 the SPC held that when determining who owns the rights to unique packaging, follow the principle of good faith and honest work. Additionally, the court held that consumers make perceptions about the source of the product based on the obvious traits of the packaging.

V. CASES OF NEW VARIETIES OF PLANTS

31. New plant variety protection regulations and Article 6 “sales” implications

In Laizhou City Institute of Eternal State v. Ge Yanjun, 31 the SPC held that the meaning of the term “sales,” in Article 6 of the Regulations on the Protection of New Varieties of Plants, should be understood in conjunction with the provisions in Article 5, Paragraph 1 of the International Convention for the Protection of
New Varieties of Plants (1978). According to the principle of consistency between international law and domestic law, “sales” as referred to in Article 6 should include committed sales behavior.

VI. TRIALS OF CASES OF TECHNICAL CONTRACTS

32. Determining the purpose of technical industrial contracts

In Shaanxi Tianbao Soybean Food Technology Research Institute v. Zhangzhou Yuyuan Native Products Co., Ltd., the SPC held that considerations of (1) whether a product can be produced which meets the expectation of the contract and can be sold on the market, (2) whether a product is marketable, and (3) whether or not that product will make a profit all carry different level of problems. In contracts involving technological industrialization, if there is no explicit agreement, commercialization of the product should not be considered as a contractual purpose.

VII. INTELLECTUAL PROPERTY LITIGATION PROCEDURES AND EVIDENCE

A. Intellectual Property Civil Litigation Procedures and Evidence

33. Online shopping receipts should not be used for infringement of intellectual property and unfair competition cases

In Guangdong Manner Garments Co., Ltd. v. New Balance Trade (China) Co., Ltd., the SPC held that in violations of intellectual property and unfair competition (when a plaintiff purchased the product that allegedly infringed online), it is not appropriate to apply the provisions of Article 20 of the Judicial Interpretation of Civil Procedure Law. The geographical jurisdiction of the case is determined by the online shopping receipt.
34. Examination and approval of notarized evidence for surveys of market statistics

In Hebei Liuren Baked Beverage Co., Ltd. v. Hebei Yangyuan Zhihui Beverage Co., Ltd., the SPC held that a review of notarized evidence of market statistic surveys should specifically examine the objectivity, technicality, and legality of the surveys. Surveys should not be accepted into evidence simply because they have been notarized.

35. In retrial applications, new evidence for existing technical defenses should not be supported

In Tangshan Pioneer Printing Machinery Co., Ltd. v. Tianjin Changrong Printing Equipment Co., Ltd., the SPC held that in patent infringement cases, when an accused infringer claims an existing technical defense with new evidence in their application for a retrial, the court will essentially see this as equivalent to a new prior defense because the infringer applied for retrial on the grounds of new evidence. If the accused infringer is allowed to propose a new defense without restrictions at the retrial stage, it is unfair to the patentee because the patentee must fix his or her claim before the end of arguments in the original trial. For the patentee’s lawsuit, it constitutes the first and second proceedings being vacated.

36. The source of legal defenses should be relevant evidence

In Ningbo Ou Lin Industrial Co., Ltd. v. Ningbo Bosheng Valve Fittings Co., Ltd., the SPC held that a “declaration” should be issued by one party to the other providing information about the production of the alleged infringing product. In the case that the patent owner does not endorse the declaration and in the absence of other proof of objective evidence, it should be

34. 对涉及市场统计调查的公证书证据的审查认定

在再审申请人河北六仁烤饮品有限公司与被申请人河北养元智汇饮品股份有限公司及一审被告金华市金东区叶保森副食店擅自使用知名商品特有包装、装潢纠纷案【(2017)最高法民申3918号】中，最高人民法院指出，对涉及市场统计调查的公证书证据的审查认定，应当具体审查该市场统计调查的客观性、科学性、适法性等有关情况，不能仅因该调查经过公证就当然采信。

35. 在申请再审程序中以新的证据主张现有技术抗辩不应予以支持

在再审申请人唐山先锋印刷机械有限公司与被申请人天津长荣印刷设备股份有限公司、一审被告常州市恒鑫包装彩印有限公司侵害发明专利权纠纷案【(2017)最高法民申768号】中，最高人民法院指出，专利侵权案件中，被诉侵权人在申请再审程序中以新的证据主张现有技术抗辩，表面上系以新证据为由申请再审，但实质上相当于另行提出新的现有技术抗辩。如允许被诉侵权人在申请再审程序中无限制地提出新的现有技术抗辩，与专利权人应当在一审法庭庭审辩论终结前固定其主张的权利要求相比，对专利权人显失公平，且构成对专利权人的诉讼突袭，亦将架空一、二审诉讼程序。

36. 合法来源抗辩应当提供符合交易习惯的相关证据

在再审申请人宁波欧琳实业有限公司与被申请人宁波博盛阀门管件有限公司、二审上诉人宁波欧琳厨具有限公司等侵害外观设计专利权纠纷案【(2017)最高法民申1671号】中，最高人民法院指出，一方当事人出具的有关其生产并提供被诉侵权产品给其他当事人的“声明”属于当事人陈述，在专利权人对该声明不予认可，且缺乏其他客观证据证
determined that a legal defense cannot be established.

B. Intellectual Property Administrative Hearings and Evidence

37. The qualification of invalid claims due to the conflict between the design patent right and prior legal rights of others. In *Stippers v. Patent Reexamination Board of SIPO*, the SPC held that there are two types of reasons to invalidate a patent: (1) absolutely invalid and (2) relatively invalid. There are significant differences between the two in terms of their objective nature and legislative purpose. The conflict between the design patent right and prior legal rights of others is a relatively invalid reason. The provisions of Article 45 of the Patent Law apply to the invalid reasons based on the essential attributes of relative invalid grounds, legislative objectives, and the effects of the legal order. The subject matter of the invalid claim is limited. In principle, only the rights holders and their interested parties can make claims.

38. Litigants’ constant principle can be applied to the patent invalidation administrative procedures. In the preceding “Shredder” case, the SPC held that in administrative proceedings after the Court hears relevant arguments, in order to ensure the stability of the proceedings and avoid uncertainty of litigation, the parties qualifications will not be lost due to subsequent changes in the legal relationship of the subject matter of the litigation. The patent invalidation procedure is a quasi-judicial procedure, and the Constant Principle acts as a reference in this procedure. If a claimant meets the eligibility criteria at the beginning of the administrative procedures for invalidation, he will still be qualified after his subsequent legal relationship has changed.

37. 以外观设计专利权与他人在先取得的合法权利相冲突为由提起无效宣告请求的请求人资格。在再审申请人斯特普尔斯公司与被申请人罗世凯、一审被告国家知识产权局专利复审委员会外观设计专利权无效行政纠纷案（简称“碎纸机”外观设计专利权无效行政纠纷案）【（2017）最高法行申8622号】中，最高人民法院指出，专利无效理由可以区分为绝对无效理由和相对无效理由两种类型，两者在被规范的客体本质、立法目的等方面存在重大区别。有关外观设计专利权与他人在先合法权利冲突的无效理由属于相对无效理由。当专利法第四十五条关于请求人主体范围的规定适用于权利冲突的无效理由时，基于相对无效理由的本质属性、立法目的以及法律秩序效果等因素，无效宣告请求人的主体资格应受到限制，原则上只有在先合法权利的权利人及其利害关系人才能主张。

38. 当事人恒定原则可以适用于专利无效宣告行政程序。在前述“碎纸机”外观设计专利权无效行政纠纷案中，最高人民法院指出，在行政诉讼程序中，人民法院受理相关诉讼后，为保证诉讼程序的稳定和避免诉讼不确定状态的发生，当事人的主体资格不因有关诉讼标的的法律关系随后发生变化而丧失。专利无效宣告行政程序属于准司法程序，当事人恒定原则对于该程序亦有参照借鉴意义。对于无效宣告行政程序启动时符合资格条件的请求人，即便随后有关诉讼标的的法律关系发生变化，其亦不因此当然丧失主体资格。
39. Conditions of admissibility for retrial of judgements arising from administrative proceedings rulings

In *Suntory Holdings Co., Ltd. v. Trademark Review and Adjudication Bd. of State Admin. for Indus. & Commerce*, the SPC held that when the applicant filed another administrative lawsuit against the ruling of the Trademark Review and Adjudication Board based on the judgement of the court, and when the SPC ruled to uphold the administrative ruling based on the original judgement, courts need to consider whether parties can apply for retrial and whether there will be a new retrial based on both the legal nature of the administrative ruling and the content of the new ruling. Courts also need to consider that circular litigation should be prevented whenever possible. If the respondent administrative ruling is completely based on the first judgment, the new judgment is made according to facts and reasons determined in the judgment, not based on a substantive hearing of the administrative ruling. In order to avoid circular proceedings, the new judgment should not be allowed a retrial.

40. The Supreme People’s Court can identify important facts missed by the administrative department

In *Plana Life Art Co., Ltd. v. Trademark Review and Adjudication Bd. of State Admin. for Indus. & Commerce*, the SPC held that applicants claim priority when applying for trademark registration. If the administrative department has misunderstood whether an application for a trademark has priority and the appellant decision is wrong, the SPC shall make a judgement on the law and basis of relevant facts.

41. The Supreme People’s Court may partially revoke a patent invalidation decision

In the preceding “*Electronic Surveillance Marker*” case, the SPC held that if it can be

39. 对于已为在先生效判决所羁束的行政裁决提起行政诉讼所引致的新判决申请再审的受理条件

在再审申请人三得利控股株式会社与被申请人国家工商行政管理总局商标评审委员会、原审第三人杭州保罗酒店管理集团股份有限公司之商标权继承人浙江向网科技有限公司商标撤销复审行政纠纷案【（2017）最高法行申 5093 号】中，最高人民法院指出，当事人对于商标评审委员会依据法院生效判决作出的行政裁决再次提起行政诉讼，人民法院依据原生效判决的认定作出维持该行政裁决的判决，当事人可否针对该新判决申请再审，应结合被诉行政裁决的法律性质、新判决的内容及尽可能防止循环诉讼等因素予以考虑。如果被诉行政裁决完全被在先生效判决所羁束，新判决系根据在先生效判决确定的事实和理由作出，未对被诉行政裁决进行实体审理，为避免循环诉讼，对于该新判决不应允许申请再审。

40. 人民法院可以对行政部门漏审的重要事实依职权作出认定

在再审申请人普兰娜生活艺术有限公司与被申请人国家工商行政管理总局商标评审委员会商标申请驳回复审行政纠纷案【（2017）最高法行再 10 号】中，最高人民法院指出，申请人在申请商标注册时主张有优先权，行政部门对申请商标是否享有优先权存在漏审，导致被诉决定错误的，人民法院应当在查清相关事实的基础上依法作出裁判。

41. 人民法院可部分撤销专利无效决定

在前述“电子货品监视用标识器”发明专利权无效行政纠纷案中，最高人民法院指出，
separately determined whether or not the patent is invalid, the SPC may partially revoke a part of an invalidation decision if it was determined incorrectly.

42. In patent invalidation procedures evidence in a foreign language does not always require a separate Chinese translation.

In *ZTE Corporation v. Patent Reexamination Board of SIPO*, the SPC held that in patent invalidation procedures, it is not always necessary to provide separate Chinese translations of documents originally in foreign languages. The State Council’s Patent Administration Department may decide when circumstances require parties to submit a Chinese translation.

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42. 无效宣告程序中外文证据并非一律需要单独提供中文译文

在再审申请人中兴通讯股份有限公司因与被申请人国家知识产权局专利复审委员会、美国内数位科技公司发明专利权无效行政纠纷案【（2017）最高法行审 4798 号】中，最高人民法院指出，在专利无效宣告程序中，对于外文证明文件并非一律需要单独提供中文译文，国务院专利行政部门可以根据具体情况决定是否有必要要求当事人提交中文译文。提交中文译文的必要性通常需要考量方便专利复审委员会和对方当事人理解证据内容、保证行政效率、保障和便利当事人行使发表意见的权利等因素，在特殊情况下无需单独提供中文译文。
[Xixia Longcheng Special Type Material Co. v. Yulin Municipal Intellectual Property Office (“YCIPO”), ADMINISTRATIVE RETRIAL NO. 84 (Sup. People’s Ct. 2017).]


17 Cao Xiaodong yu Yunnan Xiaguantuocha Jituan Gufenyouxiangongsi Qinhai Shangbiaoquan Juzhengdanjingzheng Jiufenan (曹晓冬与云南下关沱茶（集团）股份有限公司侵害商标权纠纷案) [Cao Xiaodong v. Yunnan Xiaguan Tea (Group) Co., Ltd., CIVIL RETRIAL NO. 273 (Sup. People’s Ct. 2017).

18 Taiyuan Dantingtang Yaoye Youxiangongsiyiu Shanxisheng Yaocai Gongsibi Shangbiaoqinquan Buzhengdanjingzheng Jiufenan (太原大宁堂药业有限公司与山西省药材公司商标侵权、不正当竞争纠纷案) [Taiyuan Dantingtang Pharmaceutical Co., Ltd. v. Shanxi Pharmaceutical Co. Ltd., CIVIL RETRIAL NO. 46 (Sup. People’s Ct. 2015).}
19 Fuzhou Michang yu Wuchangshi Jinlutai Nongye Gufenyouxiangongsi deng qinhai Shangbiaojifenan (福州米厂与五常市金福泰农业股份有限公司等侵害商标权纠纷案) [Fuzhou Rice Factory v. Wuchang Jinlutai Agricultural Co., Ltd., CIVIL RETRIAL NO. 374 (Sup. People’s Ct. 2016)].

20 Fuzhou Michang yu Wuchangshi Jinlutai Nongye Gufenyouxiangongsi deng qinhai Shangbiaojifenan (福州米厂与五常市金福泰农业股份有限公司等侵害商标权纠纷案) [Fuzhou Rice Factory v. Wuchang Jinlutai Agricultural Co., Ltd., CIVIL RETRIAL NO. 374 (Sup. People’s Ct. 2016)].

21 Fuzhou Michang yu Wuchangshi Jinlutai Nongye Gufenyouxiangongsi deng qinhai Shangbiaojifenan (福州米厂与五常市金福泰农业股份有限公司等侵害商标权纠纷案) [Fuzhou Rice Factory v. Wuchang Jinlutai Agricultural Co., Ltd., CIVIL RETRIAL NO. 374 (Sup. People’s Ct. 2016)].

22 Feng Yin yu Xi’an Qujiang Yuejianglou Canyin Yule Wenhua Youxianggongsi Qinhai Shangbiaoquan Jiufenan (冯印与被申请人西安曲江阅江楼餐饮娱乐文化有限公司侵害商标权纠纷案) [Feng Yin v. Xi’an Qujiang Yuejianglou Catering and Entertainment Culture Co., Ltd., CIVIL RETRIAL NO. 4920 (Sup. People’s Ct. 2017)].


28 Li Yanxia yu Jilinsi Yongpen Nongfuchanpin Kaifa Youxiangongsi Qinhai Shuzuquan Jiufenan (李艳霞与吉林市永鹏农副产品开发有限公司侵害著作权纠纷案) [Li Yanxia v. Jilin City Yongpeng Agricultural Product Development Co., Ltd., CIVIL RETRIAL NO. 2348 (Sup. People’s Ct. 2017)].


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Zhongxin Tongxun Gufen Youxian Gongsi yu Guojia Zhishi Chanquanju Zhuanli Fushen Weiyuanhui, Meishangnei Shuwei Keji Gongsi Faming Zhuanliquan Wuxiao Xingzheng Jiufenan (中兴通讯股份有限公司因与被申请人国家知识产权局专利复审委员会、美商内数位科技公司发明专利权无效行政纠纷案) [ZTE Corporation v. Patent Reexamination Board of SIPO, ADMINISTRATIVE RETRIAL NO. 4798 (Sup. People’s Ct. 2017)].