



Design Patent Infringement Case: Potential Consequence of Intentional Abandonment of Patent Rights

Under the present Chinese patent system, invention, utility model and design give their escorts to the innovation subjects like three legs of a tripod. The innovation subjects usually choose to file appropriate types of applications based on their actual requirements according to specific conditions of their products, and would like to use differences in the examination systems of various patent types to achieve a multiplier effect.

Among the three types of patents, the quite special one is design. Design patents have characteristics of easy preparation of application documents, easy approval and authorization of application, and low application and maintenance costs, etc. Compared with invention and utility model patents, since design patents are more intuitive and have a stronger visual impact on terminal consumers, the design patents would usually provide non-ignored influence in respect to the recognition of products. In view of these characteristics of design patent, some innovation subjects have favored it more and more, for quickly enhancing the unique commercial values of products and improving the overall innovativeness and competitiveness thereof.

In 2020, about 732,000 design patents were granted in China; and up to the end of 2020, the effective number of Chinese design patents was approximately 2.187 million. In addition, according to big data statistics in recent years, the design patent infringement disputes account for a larger proportion of all patent infringement disputes, exceeding 50% of the total number .

An interesting design patent infringement dispute case of Sichuan Huati Lighting Technology Co. Ltd. (hereafter referred to as "HUATI") v. Guizhou Lishida Lighting Technology Ltd. (hereafter referred to as "LSD"), which was selected as one of the "Top Ten Research Value Intellectual Property Adjudication Cases in China in 2019" organized by the Shanghai Institute of Intellectual Property, will be introduced below. In this dispute case, the plaintiff's (i.e., the patentee's) own patents constitute a relationship between "spear" and "shield", and finally the defendant (i.e., the accused infringing party) obtained a chance to overturn the first instance judgment.

A. First Instance Court: A Design Patent Has Been Infringed Due to Similarity in Designs

The plaintiff, HUATI, has a Chinese design patent **ZL200930109818.7** (hereafter referred to as

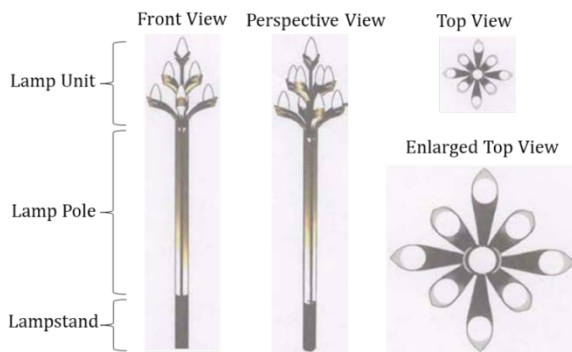
ZL200930109818.7 (hereafter referred to as "the concerned patent"), filed on August 20, 2009 and entitled "Lamp (Yulan Magnolia)". The concerned patent includes totally four drawings, front view, top view, enlarged top view and perspective view; and the brief description

1 Source: https://www.cnipa.gov.cn/module/download/download.jsp?_ID=156475&collID=87

2 Source: https://www.sohu.com/a/391345376_782745

perspective view; and the brief description thereof indicates that the rear view, left view, right view and bottom view are omitted.

The drawings of the patents of the concerned patent are as follows:



In the first instance, HUATI claimed that the street light products manufactured and sold by LSD constituted an infringement of the concerned patent, and submitted relevant evidences which involve a notarization certificate for showing the on-site taken pictures about the current status of the street lights which are installed on two sides of some street in Anshun City, Guizhou Province. In these pictures, the mark "Guizhou Lishida Lighting Technology Ltd." on the nameplate of the street light can be recognized.

During the first instance, one of the main issues is whether the alleged infringing product falls in the scope of protection of the concerned patent. The opinion of the Intermediate People's Court of Guiyang City, Guizhou Province, the Court of First Instance, held the following opinions on this issue.

First of all, the alleged infringing product and the design of the concerned patent both relate to street lights and belong to the same product category.

Secondly, comparing the alleged infringing product with the concerned patent, the main similarities between the both are: the lamp includes a lamp unit, a lampstand and a lamp pole between the lamp unit and the lampstand; the lamp unit is in a shape of a pagoda which has three layers, wherein one lamp arm stands on the upper layer, there are, on each of the middle and lower layers, four double-layer

and lower layers, four double-layer arc-leaf-shaped lamp arms, which extend symmetrically in four directions and support the yulan magnolia flower bud shaped bulbs upright at the distal ends thereof, the lamp arms on the lower layer is in a 45 degree staggered arrangement with respect to the middle layer, and each lamp arm on the middle Layer is shorter than that on the lower layer; the lampstand is a solid column.

The main differences between the both lie in: for the alleged infringing product, there are hollow patterns on the lower parts of the lamp arms in the middle and lower layers and small leaf-like supporting lines on the lower parts of the bulbs, and the lamp pole is composed of four long rectangular tubes with gaps; while, for the granted design of the concerned patent, there are no hollow patterns on the lower parts of the lamp arms and no small leaf-like supporting lines on the lower parts of the bulbs, as well as the light pole is in a prismatic shape.

The overall appearance of the street light and its bottom view of the lamp unit in the notarization certificate are attached below.



Comprehensively considering the similarities and differences between the concerned patent and the alleged infringing product, the Court of First Instance found that the both are extremely similar in aspects of not only the overall shape but also the shape designs of each part. Concretely, although there are differences between the both, the different parts have design room to some extent; a normal consumer is hard to notice the differences in details on the lamp unit, since the lamp unit is at a high position in normal use; furthermore, the lamp unit adopts unique design in comparison with the lamp pole

unique design in comparison with the lamp pole and contributes much more to the overall visual effect of the lamp, so the difference of the lamp pole is not enough to influence the visual impression on the design.

Thus, the Court of First Instance affirmed that the alleged infringing product and the concerned patent are similar with each other, without substantial differences in overall visual effects, and the alleged infringing product falls in the protection scope of the plaintiff's design patent and thereby the defendant's behavior of manufacturing and selling the alleged infringing street light infringed the plaintiff's patent right.

From the review of the first instance, based on the existing evidences at that time, the judgment looks reasonable to a certain extent without obvious inappropriateness. However, as new evidences emerged, a turn happened in this case.

B. Second Instance Court: Intentional Abandonment of Patent Rights Is a Potential Defense to Allegations of Patent Infringement

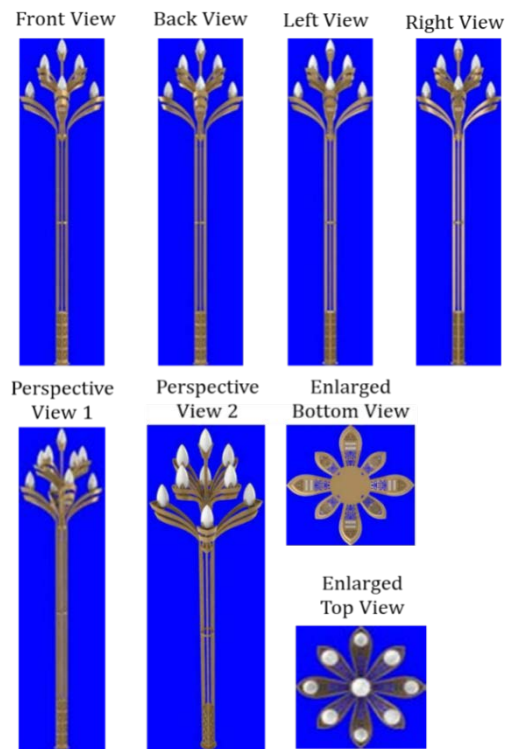
At appeal, the LSD as the appellant submitted a new evidence (hereinafter referred to as "the key evidence") relative to another design patent ZL201430030895.4 owned by HUATI but lapsed from August 6, 2015, for proving that the alleged infringing product actually copied the relevant lapsed design as published in the key evidence, which is different from the design of the concerned patent. In the cross-examination, HUATI did not raise any objection to the authenticity of this key evidence.

The Guizhou High People's Court, the Court of Second Instance, conducted further investigations based on the existing evidences in the first instance in combination with the key evidence, and finally revoked the judgment of the First Instance.

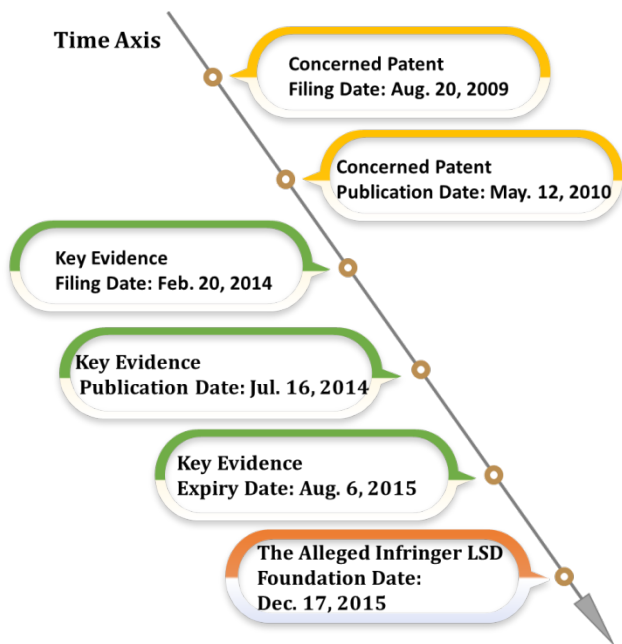
The key evidence is another HUATI's design

The key evidence is another HUATI's design patent, entitled "Lamp (Yulan Magnolia Eight-Forks Nine-Fires)", filed on February 20, 2014 by HUATI, authorization-announced on July 16, 2014, given up on HUATI's own initiative and then expired from August 6, 2015. Meanwhile, according to the investigation, LSD was established on December 17, 2015, and its business scope includes urban and road lighting projects, landscape projects, etc. Throughout the litigation process of the dispute case, both parties could not prove the actual manufacturing date of the alleged infringing product, so HUATI who is the party bearing the burden of proof had to bear the adverse consequences.

The drawings of the key evidence are attached as follows.



In order to clearly illustrate some important time points among the concerned patent, the key evidence and LSD, the time relationship among the three is shown through a time axis as below.



After comparison by the Court of Second Instance, there is no difference in the overall visual effect between the alleged infringing product and the design in the key evidence, that is, what the accused infringing party LSD implemented is actually the design shown in the key evidence.

The Court of Second Instance raised the following main points. Firstly, although the patentee claimed that the accused infringing party infringed the patent right of the concerned patent, in view that the patentee once enjoyed two design patents for street light, it should be presumed that the two design patents have substantial differences in the overall visual effect; and in the case that the alleged infringing design is as same as the design of the key evidence, there is no need to compare it with the concerned patent. Secondly, since the fact, that the patentee waived the relevant patent voluntarily, was announced by the China National Intellectual Property Administration to the whole society, if it is judged that the public will infringe the patentee's one design patent right while reasonably implementing the same patentee's other design as it is, the public's reasonable trust would be obviously damaged. Thirdly, after the termination of a patent right, the basis for the patentee to claim this patent right would no longer exist, and the corresponding technology or design would have

corresponding technology or design would have entered the public domain, and can be used freely by the public without license and payment, in other words, that the patentee voluntarily waives patent right is a donation to the society, and the patentee is responsible for his/her behaviors and is bound by law.

At the end, on the basis of the above opinions, the Court of Second Instance revoked the civil judgment of the first instance.

C. Accused Infringers: All Possible Defenses Shall Be Raised in Patent Infringement Cases

In principle, when an accused infringing party faces a patent infringement dispute case, the possible defenses³ would generally focus on the following aspects :

- 1) Defense based on patent validity (for example, the patent in suit has not been valid, has expired, or has been invalidated);
- 2) Defense based on abuse of patent right (for example, obtaining the patent right in bad faith);
- 3) Defense based on non-infringement;
- 4) Defense based on not being deemed as infringement (for example, on the grounds of prior use rights, exhaustion of patent right, temporary crossing of the borders, solely for the purposes of scientific research and experimentation, exploiting other's patent for personal use rather than for production or business purpose);
- 5) Defense based on prior art/design;
- 6) Defense based on legitimate source;
- 7) Defense for not stopping infringement (for example, good faith on-fault defense, the stop of the accused activity will be detrimental to national or public interests but the fee of reasonable royalties should be paid);
- 8) Other defenses (for example, time limit of action, contract, and so on).

As far as this dispute case is concerned, the lapsed patent as the key evidence has an

³ See "Guidelines for Patent Infringement Determination (2017)" issued by Beijing High People's Court.

application date later than the publication date of the concerned patent and thereby is not a prior design with respect to the concerned patent. However, due to the patentee's action of voluntarily abandon, the lapsed patent makes the relevant design become "freely usable technology/design". This kind of donation action leads to the fact that the lapsed design no longer has exclusive rights, and can be freely implemented.

What's interesting about the dispute case is to use the posterior patent waived by the patentee as a weapon to counter the same patentee's another prior patent right litigation, but not with the aid of usual defenses.

The enlightenment of this case at least lies in, when preparing defenses in infringement litigations, the search scope should not only aim to the prior art/design, and may be extended to cover the patentee's posterior art/design appropriately, for determining whether the alleged implementing behavior falls in the field of public free use in order to grasp all possible opportunities to defuse the risk.

The "Featured article" is not equal to legal opinions. If you need special legal opinions, please consult our professional consultants and lawyers. The email address of our company is: ltbj@lungtin.com which can also be found on our website www.lungtin.com

For more information, please contact the author of this article:

HUANG, Yan: Partner, Assistant General Manager, Manager of Mechanical Engineering and Design Department, Senior Patent Attorney ltbj@lungtin.com



HUANG, Yan
Partner, Assistant
General Manager,
Manager of Mechanical
Engineering and Design
Department, Senior
Patent Attorney

Ms. Yan Huang has expertise in patent drafting, patent prosecution, patent reexamination, patent invalidity, patent litigation, patent due diligence and freedom to operate investigation, patent layout, patent analysis, etc., she handled a large number of cases of domestic and foreign clients, and is very experienced in patent legal services in the fields of mechanical engineering and mechanical automation, such as, home appliances, engineering mechanics, automation manufacture, semiconductors, printing facilities, paper apparatuses, medical devices, computer equipment and so forth. Ms. Huang joined Lung Tin in February 2002, and has participated in many important and difficult cases.