SPC Guiding Case No. 115: Valeo Washing Systems Company v. Xiamen Lucas Auto Parts Co., Ltd. et al. (Invention Patent Infringement Dispute)

Dan Young Business Consultancy — www.danyoungcpa.com

Unofficial English translation prepared for reference only. The official Chinese text prevails.

Discussed and adopted by the Judicial Committee of the Supreme People's Court; issued on December 24, 2019.

Keywords

Civil / invention patent right / functional feature / preliminary judgment / conduct preservation

Holding

1. If a technical feature of a patent claim has already defined or implied a specific structure, component, step, condition, or the interrelationship among them, even if the technical feature also defines the function or effect it achieves, it does not constitute a "functional feature" within the meaning of Article 8 of the Interpretation (II) of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Patent Infringement Dispute Cases.

2. In patent infringement litigation proceedings, conduct preservation ordering cessation of the alleged infringing act has independent value. Where a party applies both for an order to cease the alleged infringing act and for a preliminary judgment to cease the infringement, and the people's court considers it necessary to render a preliminary judgment ceasing the infringement, it shall simultaneously examine the conduct preservation application; where the conditions for conduct preservation are met, it shall render a ruling in a timely manner.

Basic Facts

Valeo Washing Systems Company ("Valeo") was the patentee of the invention patent at issue for "a connector for a wiper blade of a motor vehicle and a corresponding connecting device," which was still within its term of protection. In 2016, Valeo brought a lawsuit in the Shanghai Intellectual Property Court, alleging that Xiamen Lucas Auto Parts Co., Ltd. ("Lucas") and Xiamen Fuke Auto Parts Co., Ltd. ("Fuke") had, without authorization, manufactured, sold, and offered for sale, and that Chen Shaoqiang had, without authorization, manufactured and sold, wiper products that fell within the scope of protection of its patent right. Valeo requested an order that Lucas, Fuke, and Chen Shaoqiang cease the infringement and compensate for losses and reasonable expenses for stopping the infringement tentatively calculated at RMB 6 million, and requested that the people's court render a preliminary judgment ordering Lucas, Fuke, and Chen Shaoqiang to immediately cease the acts infringing the patent right at issue. In addition, Valeo also filed a provisional conduct preservation application, requesting the court to rule that Lucas, Fuke, and Chen Shaoqiang immediately cease the infringing acts.

Judgment

On January 22, 2019, the Shanghai Intellectual Property Court rendered a preliminary judgment, ordering Xiamen Lucas Auto Parts Co., Ltd. and Xiamen Fuke Auto Parts Co., Ltd. to immediately cease the infringement of the invention patent right at issue from the date the judgment took effect. Xiamen Lucas Auto Parts Co., Ltd. and Xiamen Fuke Auto Parts Co., Ltd. were dissatisfied with the judgment and appealed to the Supreme People's Court. On March 27, 2019, the Supreme People's Court held a public hearing, rendered Civil Judgment (2019) Zui Gao Fa Zhi Min Zhong No. 2, and pronounced the judgment in court: the appeal was dismissed and the original judgment was affirmed.

Reasoning

The Supreme People's Court held:

I. On whether the technical feature "in the closed position, the safety clasp extends facing the locking element, for preventing elastic deformation of the locking element and locking the connector" constitutes a functional feature, and whether the alleged infringing product possesses that feature

First, on whether the above technical feature constitutes a functional feature. A functional feature refers to a technical feature that does not directly define the structure, component, step, condition, or the interrelationship among them of an inventive technical solution, but instead defines the structure, component, step, condition, or the interrelationship among them through the function or effect it performs in the invention-creation. If a technical feature has already defined or implied a specific structure, component, step, condition, or the interrelationship among them of the inventive technical solution, even if the technical feature also defines the function or effect it achieves, in principle it does not constitute a "functional feature" within the meaning of Article 8 of the Interpretation (II) of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Patent Infringement Dispute Cases, and should not be subjected to infringement comparison as a functional feature. The aforementioned technical feature in fact defined the positional relationship between the safety clasp and the locking element and implied a specific structure — "the safety clasp extends facing the locking element" — and the function performed by that position and structure was "preventing elastic deformation of the locking element and locking the connector." Based on this positional and structural relationship, in combination with the specification of the patent at issue and its drawings, and in particular the description in paragraph [0056] of the specification that "the locking of the connector is ensured by the inner surface of the vertical side wall of the clasp, which extends along the outer surface of the claw, so that the clasp prevents the claw from deforming laterally outward from the connector, and therefore the connector cannot be released from the hook-shaped end," a person of ordinary skill in the art can understand that "the safety clasp extends facing the locking element," when the distance between the extending portion and the outer surface of the locking element is sufficiently small, can achieve the effect of preventing elastic deformation of the locking element and locking the connector. It can be seen that the characteristic of the aforementioned technical feature is that it both defined a specific position and structure and defined the function of that position and structure, and only by understanding the position and structure together with the function it performed could the specific content of the position and structure be clearly determined. Although this kind of "position-or-structure plus functional description" technical feature contains a description of function, it is essentially still a positional or structural feature, and is not a functional feature within the meaning of Article 8 of the Interpretation (II) of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Patent Infringement Dispute Cases.

Second, on whether the alleged infringing product possesses the aforementioned technical feature. The aforementioned technical feature of claim 1 of the patent at issue both defined the positional and structural relationship between the safety clasp and the locking element and described the function performed by the safety clasp, and that function had a limiting effect on determining the positional and structural relationship between the safety clasp and the locking element. The aforementioned technical feature was not a functional feature; both its positional and structural limitation and its functional limitation should be taken into account in the infringement determination. In this case, a pair of protrusions perpendicular to the side walls was provided on the inner surfaces of the two side walls of the safety clasp of the alleged infringing product; when the safety clasp was in the closed position, the protrusions on the inner side walls faced the outer surface of the elastic element, which could achieve the effect of restricting the elastic element from deforming and opening, locking the elastic element, and preventing the wiper arm from coming out of the elastic element. When the safety clasp of the alleged infringing product was in the closed position, the protrusions on the inner surfaces of the two side walls of the safety clasp, perpendicular to the side walls, faced the outer surface of the elastic element, which was one form of "the safety clasp extends facing the locking element"

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referred to in claim 1 of the patent at issue, and could likewise achieve the function of “preventing elastic deformation of the locking element and locking the connector.” Therefore, the alleged infringing product possessed the aforementioned technical feature and fell within the scope of protection of claim 1 of the patent at issue. Although the court of first instance, on the basis of finding that the above feature was a functional feature, found that the alleged infringing product had a technical feature equivalent to the above feature, and its comparison method and conclusion were somewhat inaccurate, this did not affect the result of the infringement determination in this case.

II. On the specific handling of the application for conduct preservation during the litigation in this case

The special circumstance to be considered in this case was that, although the court of first instance had already rendered a preliminary judgment ordering cessation of the infringement of the patent right at issue, that judgment had not yet taken effect, and the patentee continued to insist on its conduct preservation application in the first-instance proceedings. At this point, the court of second instance could, with respect to a conduct preservation application to cease patent infringement, consider the following circumstances and handle them separately: if the circumstances were urgent or other damage might be caused, and the patentee had filed a conduct preservation application, but the court of second instance was unable to render a final judgment within the period for handling the conduct preservation application, it should handle the conduct preservation application separately and render a ruling in accordance with the law in a timely manner; where the conditions for conduct preservation were met, it should take preservation measures in a timely manner. At this point, since the original judgment had already found the infringement established, the court of second instance could examine the conduct preservation application based on the circumstances of the case, and was not required to order the provision of security. If the court of second instance was able to render a final judgment within the period for handling the conduct preservation application, it could render a judgment in a timely manner and dismiss the conduct preservation application. In this case, Valeo insisted on its conduct preservation application during the litigation to order Lucas and Fuke to cease the infringement of the patent right at issue, but the evidence it submitted was insufficient to prove that urgent circumstances causing it damage had occurred, and the Supreme People’s Court had already pronounced judgment in court, so that the judgment in this case had already taken legal effect, and it was no longer necessary to render a separate conduct preservation ruling ordering cessation of the infringement of the patent right at issue. Valeo’s conduct preservation application during the litigation was not supported.

Relevant Legal Provisions

1. Article 59 of the Patent Law of the People’s Republic of China (2008 Amendment)

2. Article 153 of the Civil Procedure Law of the People’s Republic of China (2017 Amendment)

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