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To whom it may concern:

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Sincerely,

Victor J. Hertz  
President & CEO

## **The Greatest Changes of the U.S Patent System in the Last 50 Years**

**By Yongshun Cheng and Li Lin**

### ***Brief Introduction***

*The bill passed in the House of Representatives last September is going to make the greatest changes to the U.S. patent system in the last 50 years. Therefore, as soon as the bill was introduced into the House and the Senate, it has drawn great attention not only from the U.S., but also worldwide. Could this bill achieve the expected aim of encouraging innovation, and benefiting both inventors and the whole economy? This article will analyze the issues in the debate in relation to the current Chinese patent law system.*

On April 18, 2007, Rep. Howard Berman, a Democrat from California, and Rep. Lamar Smith, a Republican from Texas, jointly proposed a bill to the House of Representatives, entitled "Patent Reform Act, 2007" ( hereinafter referred to as "The Bill"). On September 7, the U.S. House of Representatives adopted the Bill by 220 votes in favor and 175 votes against. A bill similar to this Patent Reform Act along the same lines is awaiting a vote by the whole House in the U.S. Senate.

This bill is supported in the U.S. by most large high-tech companies in the U.S., such as Apple and Microsoft. They claimed that this bill could help maintain U.S. leadership in the field of innovations, reduce the number of low quality patents, reduce the number and cost of litigation, and balance the rights of patentees and the rights of defendants. At the same time, we have also learned that this bill faces strong opposition coming from various quarters. The opponents include pharmaceutical, medical technology, and biotechnology companies, such as Bistol-Myers Squibb, Amgen, as well as the venture capital community. The opponents believe that this legislation will weaken the patent protections in the U.S. What makes this bill so controversial? This article will answer this question on the basis of the main provisions included in the bill with the reference of Chinese patent law system.

### **Changes on the Review Process of Patent Applications**

Firstly, this bill changes the U.S. patent system from the "first to invent" rule to the "first to file" rule, makes it easier for the assignees to apply for a patent under the circumstance when the inventors do not cooperate, and eliminates the best mode as the basis for an invalidity action in either litigation or as part of a post-grant opposition procedure. These changes are in conformity with the rest of the world.

One of the main purposes of this patent law reform is to improve the quality of granted patents. Several provisions are proposed in the bill for this purpose, such as allowing a third party to submit relevant prior art within 6 months from publication, requiring patent

applicants to submit a search report and other information relevant to patentability, and providing a new post-grant review procedure to invalidate a patent before the USPTO.

This bill created a new post-grant review procedure before the USPTO, which allows a third party to file a request within 12 months from the date of granting a patent to review the validity of the patent, instead of bringing litigation before the courts. The reason for these provisions is that there are currently two ways to cancel a patent, either by litigation or inter partes reexamination. The newly created post-grant review procedure is alleged to provide an economic and fast way to challenge a patent before litigation becomes necessary. However, the proposed post-grant review procedure would also enable infringers to easily subject legitimate patents to consecutive attacks, creating much expense and uncertainty for the patent holder and those investing in the patent holder's business.

The non-application of 'presumption of validity' under the post-grant review procedure is also an important amendment. Presumption of validity means that all issued U.S. patents are presumed to be valid; therefore the patentee in court does not need to provide evidence that the patent is valid and the burden of proof to show that the patent is wrongly granted by 'clear and convincing' evidence is placed on the accused infringer. However, if there is no presumption of validity in the post-grant review procedure, the patentee will need to prove the validity of the patent, which will increase the burden of proof for the patentee. On one hand, the new post-grant review procedure might be helpful to increase the quality of granted patents. On the other hand, it might be abused by the competitors and result in damages to patent owners, because the burden of proof under post-grant review procedure is different from that in litigation, the new procedure lowers the burden of proof from "clear and convincing" to "preponderance of evidence" standard. By the post-grant review, it is much easier and cheaper for the third party to challenge the granted patents. This will also bring great side effects. Because the burden of proof of the petitioner is less than that in courts, this provision is very easy to be utilized by the competitors, which will surely increase the time and cost for the patentees greatly if they have to raise litigation after this procedure as well as increase the uncertainty, and delay the exploitation of the patent.

Under the current Chinese patent law, there is only an invalidation procedure to challenge the validity of a patent, and the Patent Reexamination Board of the State Intellectual Property Office is in charge of the examination of invalidation requests. Today, there are a lot of invalidation requests made during the patent infringement cases. After the invalidation decision was made, the Patent Reexamination Board could act as one party in the following administrative litigations on invalidation decisions. Practically, the invalidation procedure allows the public to challenge a patent at anytime after it is granted to ensure the patentability and to supervise the legitimacy of issuance; However, once the patentees raise the infringement cases in courts, the invalidation procedure is always used by the defendants as a defensive strategy, even abused in some cases. Since the invalidation decision made by the Patent Reexamination Board might be changed by court during the administrative litigation, the time for confirming the patentability of a

patent, and that for litigating a patent infringement would be prolonged. Recently when considering the third amend of Chinese patent law, many people believe that a new system similar to German or Japanese Patent Court should be created to deal with the validity issue of the patent, which can link up the invalidity procedure and litigation.

### **Changes on Litigation Procedure**

The bill revises the current venue provisions that apply to patent infringement suits. The bill prevents a plaintiff from manufacturing venue, as well as other limitations on defendant venue and infringement act venue. The new provisions limit the patent litigation into a limited exercise before special courts, which are obviously friendlier to the large corporate defendants and will unfairly prejudice patent holders seeking to enforce their patents.

The bill contains a provision creating a right to interlocutory appeal of trial court decisions in patent cases on “determining construction of claims” and mandating that the action in the trial court be stayed. This provision is made to change the high appellate reversal rate of claim construction rulings and the resulted uncertainty. However, interlocutory appeal can do nothing with the reasons for the relatively high reversal rate. The claim construction process is not always a single episode in patent cases; under some circumstance it might be revisited and revised many times. The interlocutory appeal will only pass the cases, which could be handled by trial courts, to the Federal Circuit. Therefore, interlocutory appeal and mandatory stay will not only increase the Federal Circuit's workload, but also lengthen the cases. The prolonging of a suit will result in that patentee can not obtain the remedy in time and the cost for litigation will be increased greatly.

### **Changes on Patent Infringement Damages**

The change on the patent infringement damage calculation method is one of the main subjects of this reform. As the damage calculation will affect both the patentees and the infringers greatly, the provision pertaining to this subject is also a very contentious one, and warrants some detailed discussion.

The current U.S. patent law requires that the claimant be awarded adequate compensation for the infringement, which should not be lower than a reasonable royalty. Under 284 U.S. Patent Law, it is said that, “upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court. When the damages are not found by a jury, the court shall assess them. In either event the court may increase the damages up to three times the amount found or assessed.”

The current law of damages is amended substantially in the bill. According to the bill, the damage should be based on market value which is attributed over prior art by the patent. There are two principal ways to evaluate the effect of different factors on the royalty in courts, namely "entire market value rule" and "apportionment." If the patented feature is the basis for customer demand for the entire product or process, the patent infringement damages should be based on the full value of the infringing product or process. However some portion of the realizable profit would be subtracted by "apportionment" from the damages, such as the improvement made by the infringers, non-patent factors, and the risks of manufacture and business. The bills change the damages under the 284 US Patent Law greatly, limiting the interest of the patentee to "the economic value properly attributable to the patent's specific contribution over the prior art" by the new, untested method of prior art subtraction, The damage should only base on the market value of the infringing features in the product, instead of the whole market value of the infringing product. Under the bill, by using the language like "the patent's specific contribution over the prior art", the bill enforces the use of apportionment and precludes the usage of entire market value rule in most of the cases. The idea behind apportionment is that customer demand for the infringing product may partly come from the contribution by the infringers, and it is not fair to reward this part to the patentee. However, when all of the marketability to a specific article can be credited to a patented feature, it is appropriate to use the entire market value to reward the inventor. Otherwise it will only encourage the inventors not to file patent applications and delay the disclosure of innovation. In view of operation, it is very difficult to determine the additional value added by the invention over the prior art. Almost all the inventions are made up of combinations of old features to some extent. The determination of the value of the invention is not as simple as one plus one is equal to two. The emphasis of the apportionment will decrease the damages greatly in many cases, if not eliminated totally, therefore reduce the remedies to the patentees.

However, although there are arguments about this prior art subtraction, it is advisable to make it clear in the law about how to determine the damages. There is no detailed provision both under the current Chinese Patent Law and its implementing Regulations. The general provision under the Chinese Patent Law about damage reads as "the amount of compensation for the damage caused by the infringement of the patent right shall be assessed on the basis of the losses suffered by the patentee or the profits which the infringer has earned through the infringement. If it is difficult to determine the losses which the patentee has suffered or the profits which the infringer has earned, the amount may be assessed by reference to the appropriate times of the amount of the licensing royalty." Because this provision is not operable, the courts can exert a great discretion on determining the damages. The US law could be used as reference when we made the third amendment of Chinese patent law.

## **The Interest Groups behind the Reform**

From the analysis above, we can see that the bill will weaken the right of patentees greatly, increase their burden, and reduce the remedies for infringement. Therefore, it encounters strong opposition from many groups. However, even facing such a strong opposition, it was still passed by the House of Representatives.

The reason for this is partly because it was supported by some of America's largest and most influential companies, which carry much political clout with the US Congress. These companies have organized themselves into several lobbying groups. Many of these companies have been trying to reform the patent law for more than 5 years. They say that they are facing more and more patent infringement litigations and paying increasing amounts of damages in these years. For these companies, a weaker patent system, or one that benefits companies that do not rely on patent protection to obtain market dominance serves their interests.

However, the patent reform should not only benefit a small group, but promote the patent protection as a whole. To apply the same way on products other than software may result in an unfair outcome. For example, it will be very difficult for the biotechnology companies to get investment without patent protection. It takes a long time to make a new medicine, which is normally covered by a single patent. The same is true for start up companies in other market sectors. Therefore the patent is crucial for the patent owners to market and profit from their invention. On the contrary, the IP companies need less time to develop new products, which always combine a great number of features in single products. What is more as the products will become out of date after a short time, the patent protection is relatively less important to them.

There are some provisions in the bill which are consistent with the trend of patent harmonization. However, it is friendlier to the infringers than to the patentees in general as it will make the patent less reliable, easier to be challenged and cheaper to be infringed. It is not bad news for developing countries which have fewer patents. Many of the Chinese companies are not patent owners in the U.S. market and their products are often excluded from the market because of patent infringement accusations. This bill will give the companies from developing countries more freedom and flexibility to challenge the relative US patent for doing business in US and make it less costly to infringe.

The bill passed in the House will weaken the patent protection, and it conflicts with the attitude of the US Government of pressuring the Chinese Government to strengthen the protection on IP rights.

*(Mr. Yongshun Cheng used to be the Deputy Director of IP division of Beijing High People's Court, Senior Judge)*





# 美国 50 年来最大规模的专利体制变革

程永顺 林俐

2007年4月18日,加州民主党议员霍华德·伯曼和德州共和党议员拉马尔·史密斯联合提交了《专利改革法案(2007)》(以下称法案)。9月7日,美国众议院以220票赞成、175票反对,通过了该法案。与该专利改革法案内容相同的法案也将在参议院内进行全体表决。

针对该法案,在美国国内包括苹果、微软等科技巨头的绝大多数高科技企业对专利改革法案表示支持,认为该法案有利于保持美国保有创新的领导地位,能够减少低质量的专利产生,减少过多的相关诉讼及损害赔偿,降低诉讼成本,使专利权人和被告人的权利得到平衡。但与此同时,我们也听到了来自多方的反对声音。对该法案持强烈反对意见的包括美国百时美施贵宝、琼森公司和 Amgen 公司为代表的制药及生物科技企业与专利投资公司,反对方声称该专利改革法案将会弱化美国对知识产权的保护。为何双方会对该法案产生如此迥异观点?以下将专利改革法案的焦点问题逐一进行评述,并结合我国专利法律制度予以分析。

## 关于专利审查程序的变化

法案将美国长期使用的先发明原则改为先申请原则,方便了受让人在发明人不配合的情况下申请专利,取消了以“最佳实施方式”作为专利无效请求的理由,这些变动符合世界潮流。

这次美国专利法改革的一个主要目的在于提高授权专利的质量。法案为此做出了很多新规定,例如允许第三方在公开后至少6个月内提交与现有技术有关的资料;要求申请人提交检索分析报告和其他有关信息;增设授权后异议程序。

专利改革法案在美国专利商标局设置了一个专利授予后的异议程序,专利权人外的申请人可以在不迟于专利被授予后的12个月内请求专利商标局启动该程序申请确定该专利有效性,而无需再向法院提起诉讼确定专利有效性。其理由主要为:当前的专利法对专利提出异议的途径局限于复审程序或高额的诉讼,而新设立异议程序据称可以在诉讼成为必需之前就提供相对经济及迅速的确定专利有效性的专利异议途径。然而,这个异议程序使侵权人可以轻易地对有效专利提出连续的挑战,增加了专利权人和投资人的成本和不确定性。

在异议程序中取消“专利有效

推定”也是一个重要修改,“专利有效推定”是指所有经授权的专利都被推定是有效的。法院在受理无效诉讼时,所有权利要求都被推定是有效的,证明专利无效的举证责任在原告,专利权人不需要提供证据证明自己专利的有效性,原告则要提供“清楚而有说服力”的证据证明专利被错误地授予。而在异议程序中取消这一推定,增加专利的不确定性,权利人仍然要举证证明专利的有效性,而且在该程序中,所采取的是相对于法院诉讼证据要求弱的“优势证据”判定,权利人的权利被削弱,其负担会进一步加重。另一方面,新增加的授权后异议程序也有助于提高专利质量,使第三人可以更容易地挑战已获得授权的专利。由于美国专利商标局和法院采用的证明标准并不一致,专利商标局作为行政机构,采用的证明标准是“优势证据”标准,法院对证明标准的要求更高,为“清楚而有说服力”的证明标准。因此,直接向专利商标局提出异议的方式使对专利的挑战变得更加容易。因此这一新增加的程序同时也带来了许多不利的影

响,因为请求人的举证责任相对较轻,因此该程序极有可能被滥用,一旦这一程序被竞争者利用,权利人再针对专利商标局的决定向法院提出诉讼,无疑会导致时间和费用的增加,很可能给权利人带来重大损失,不利于发明的开发和实施。在我国专利法现行中只有一个无效程序来挑战专利的有效性,国家知识产权局专利复审委员会负责无效审查。在我国,因为双方讼争而提起大量的专利权无效请求案件,经专利复审委的准司法专利无效行政审查作出的决定,在后续的诉讼程序中,由于我国现行法律的独特规定,专利复审委作为行政被告介入后续的司法救济程序。从我国的法律实践看,专利无效程序的设立使公众随时启动挑战专利权的专利性,以监督专利权授予的合法性。但在专利权人启动专利侵权诉讼时,该程序经常被被告方作为一种防御手段来使用,甚至滥用。由于专利复审委员会做出的专利无效决定在法院的审判中可能被改变,这使得专利权的确定周期较长,也使得侵权诉讼的时间被拖长。在最近收集的关于专利法修改的最新提议时,很多人呼吁建立一个类似于德国和日本的专利法院来处理专利的无效,以解决无效程序与诉讼程序的衔接问题。

## 关于诉讼程序的修改

首先针对管辖问题,法案作了

## 阅读提示

今年9月,美国提起的专利改革法案是50年来准备对其专利体制所做的最大规模的变革,该专利修改法案的提出,在美国乃至世界范围内引起了极大关注。这项改革到底能不能达到其预期的鼓励创新、使发明人和整体经济收益的目标呢?本文将专利修改法案的焦点问题逐一进行评述,并结合我国专利法律制度予以分析。

大量修改,排除了制造地管辖,并对被告所在地和侵权行为地做了大量限制性的规定。根据法案的这些规定,对专利纠纷中绝大部分法院的管辖权都做出了限制,很容易被被告人利用,使他们可以根据自己的意愿,将管辖权限制在特定的法院,由倾向于被告的法官审理,这在诉讼中无疑对被告人极为有利而对寻求专利保护的专利权人非常不利。

法案在诉讼程序中新增加了对审理法院作出的关于权利要求解释的决定提起中间上诉和强制延期审理的规定也对权利人非常不利。规定中间上诉的目的是为了解决有关专利解释决定的高撤销率和由此导致的不确定性。然而事实上中间上诉并不能解决带来问题的根本原因。对权利要求的解释并不仅是诉讼中的单一阶段而可能贯穿始终的,最初的解释有可能会被反复讨论和修改。中间上诉使一些原本能由地区法院解决的问题被提到上诉法院,不仅极大地增加了上诉法院的负担,还会使诉讼被拖延。与此同时原本可能达到和解的时间也被拖延。诉讼持续时间过长不仅使侵权人不能及时得到应有的救济,更增加了大量的诉讼费用。

## 关于专利损害赔偿

有关损害赔偿计算方式是这次改革的重要内容之一。由于这一规定对权利人和侵权人的影响都非常重大,有关条款也备受争议,因此单独讨论这一问题。

美国现行法律中要求对专利侵权进行足够的赔偿,并且将合理的专利使用费作为这种“合理赔偿”的最低限额。美国专利法284节关于专利侵权的赔偿规定为“根据有利于原告之证据显示,法院应对原告因专利受侵害之程度作出判决,给予足够之赔偿,其数目不得少于侵权人实施发明所需之合理权利金,以及法院所定之利息及诉讼费用之总和。陪审团如未能确认损害赔偿

额,法院应估定之,以上任一种情形下,法院均得将决定或估定之损害赔偿额增加至三倍。法院得请专家作证,以协助决定损害赔偿或在该状况下合理之权利金”。

在专利改革法案中对损害赔偿的计算方法提出了重大的修改。根据法案的规定,损害赔偿要基于专利对现有技术的贡献所具有的市场价值。法院在计算损害赔偿时通常使用两种方法来处理各种因素的影响:“整体市场价值”和“分拆”。如果消费者对整个侵权产品的需要是基于专利特征上,专利赔偿应该按照整个产品的市场价值计算。而“分拆”是指在损害赔偿中将侵权人在侵权产品中附加的改进、非专利因素、制造、商业风险等价值扣除。专利改革法案大幅度地修改了284节以限制的损害赔偿金的数额,通过采用未经试验的,新的“现有技术减去”方式,将专利权人的权益仅仅限于“专利对现有技术所做出的贡献”,即不对侵害他人专利产品的全部市场价值作为赔偿额,而仅对该产品中侵害他人专利的部分计算赔偿额。在计算方法上,根据法案的规定,几乎所有的专利侵权在计算损害赔偿时都要首先适用“分拆”而几乎否定了“整体市场价值”的应用。“分拆”法认为消费者对某件侵权产品或方法的需求可能部分来自于侵权人的贡献,而让专利权人得到对这些贡献的回报是不合理的。然而在某些情况下,一些产品的市场性可能仅仅来源于受专利保护的专利特征——这一特征导致消费者对整个装备的需要。在这种情况下,根据发明的价值确定发明人的回报是完全合理的,如果不采用整体市场价值法只会导致鼓励发明人规避专利申请,阻碍新发明的公布和传播。实际操作上看,专利对现有技术的贡献是很难判断的,从某种意义上讲,所有的发明都是对旧因素的组合,但新发明的价值并不是一加一等于二的简单关系。如果该法案得到实施,强制使用“分拆”,损害赔偿即使不会被完全免除,也会在很多案件中被极大地减少,对“分拆”法的过分强调,无疑会降低权利人所能得到的救济。

虽然对现有技术减去方式,还存在争议,但是对专利侵权赔偿额做出明确界定的做法是值得借鉴的。目前,我国专利法及实施细则都缺乏对专利赔偿损害额界定的规定,上位规定为:“侵犯专利权的赔偿数额,按照权利人因被侵权所受到的损失或者侵权人因侵权所获得的利益确定,被侵权人的损失或者侵权人获得的利益难以确定的,参

照该专利许可使用费的倍数合理确定。”在实践中存在缺乏可操作性的弊端,因此,人民法院对专利侵权赔偿额的确定都通过酌定方式做出,在我国修改专利法时,应考虑结合我国的实践和借鉴美国专利改革法案的赔偿计算方式。

## 改革背后的利益群体

从以上的分析可以看出,这一法案很大程度上弱化了专利权人的权利,加重了其负担,减少了对侵权的救济,因此受到了来自多方的反对。然而即使是在这样的反对声中,这一法案仍然在众议院获得通过是有其原因的。

这一法案被美国最大和最有影响力的公司支持,他们对美国国会有很大的政治影响力。这些公司组成了一些“游说集团”,这些公司5年多来一直试图推动有关专利法的改革,他们声称一直在为正在增长的专利诉讼数量和专利赔偿数额困扰。一个被削弱的专利体系,或者说一个使那些并不依赖于专利保护获得市场的企业受益的体系更符合他们的利益。

但是专利制度的改革显然不能仅仅使一部分群体受益,而是要从专利保护的整体利益衡量。按同样的方式考虑软件之外的产品可能会造成非常不公平的结果。例如对生物科技公司,如果没有专利保护,将很难得到投资。开发一个药品需要很长的周期,其产品往往依赖一个覆盖面完整的专利,专利对于能不能销售产品非常重要。对那些刚刚起步的公司来说情况也是如此。但信息技术公司产品开发的周期要短得多,产品往往依赖于大量的被专利覆盖的新技术方案,并且更新速度很快,专利相对不是那么重要。

专利改革法案中提出了一些有利于专利国际协调和提高专利质量的规定。但总的来说这个法案更倾向于侵权人而加重了专利权人的负担。对科技水平较低、专利拥有量相对较少的发展中国家来说,这未必不是一个好消息。由于专利基础薄弱,中国的产品经常在美国市场遇到麻烦。而这一法案将为制定专利挑战的策略提供更多的方式和灵活性,也使侵权的成本降低,侵权变得更加容易。

然而已经在美国众议院通过的专利改革法案却在很大程度上降低了专利保护的力度,这与长期以来美国一直向中国施加压力,要求中国加强对知识产权的保护力度的做法明显相矛盾。

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