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Shanghai Shuaijia Electronic Science and Technology Corporation et al. v. Shandong Joyoung Small Household Electric Appliances Corporation et al.

Citation: The Shandong Higher People's Court's Civil Judgment No. Luminsanzhongzi 38/2007

Date of judgment: May 30, 2007

Procedural history

The Shandong Joyoung Small Household Electric Appliances Corporation (Joyoung), Wang Xuning and the Jinan Zhengming Trading Co., Ltd. (Zhengming) sued, in the Jinan Municipal Intermediate People's Court, the Shanghai Shuaijia Electronic Science and Technology Corporation (Shuaijia) and the Cixi City Xibeile Electronic Appliances Co., Ltd. (Xibeile) for infringement of the invention patent (ZL99112253.4). After the first-instance court established the infringement, Shuaijia and Xibeile appealed to the Shandong Higher People's Court.

Issue

1. Was it legally admissible to determine the inventiveness of a patent by means of isolating the technical features of a claim and then making a search in different references, and then request suspension of the court procedure on the basis of the determination?
2. Was it legally admissible to cite several references to demonstrate that an allegedly infringing technology was part of the prior art, so as to make a prior-art defense?

Facts

Wang Xuning held a patent (ZL99112253.4) for the invention of “intelligent automatic household soya-bean milk maker”. Joyoung was the exclusive licensee of said patent.

Shuaijia and Xibeile made the four types of soya-bean milk makers, identical with the technical solution defined in Claim 1 of said patent, and showed them on its website www.xibeile.com.

During the first-instance hearing, Shuaijia and Xibeile requested the Patent Reexamination Board (PRB) to declare the patent in suite invalid, with six references cited to challenge the inventiveness, and, at the same time, requested suspension of the court hearing. The defendants also made a prior-art defense that the technology used in the allegedly infringing product was derived from the references.

The first-instance court held that:

1. The patent in suit was an invention patent granted after substantive examination, and the references cited for invalidation of the patent in suit did not sufficiently affect the validity of said patent right. Therefore, the court did not support the defendants’ suspension request;
2. As the invention patent in suit, having been examined as to substance, definitely possessed inventiveness compared with the prior art, and the references cited by the defendants in their prior art defense were existing technology, they were different in that the patent in suit had prominent features, and represented notable progress. The defendants’ claim that the technology in the allegedly infringing products came, or was derived, from the existing technology was not tenable, and the reasons for their prior-art defense were not accepted.

Shuaijia and Xibeile appealed on the following grounds:

1. All the technical features defined in the independent claim were disclosed in the references 1 to 3, affecting the inventiveness of the patent in suit. Therefore, the court hearing should be suspended;

2. In the first-instance ruling, no comparison and analysis had been made between the relevant technical documents presented by the appellants and the patent in suit, and a logical mistake existed with the first-instance judgment on the tenability of the prior-art defense.

Joyoung and Wang Xuning argued that

1. It was not undue for the first-instance court to have ruled not to suspend the court hearing, since the patent in suit was an invention patent, and remained valid after it went through the invalidation and administrative proceedings in 2004. Besides, in judging inventiveness, the technical features defined in the claim should not be first isolated and then searched the prior art. Therefore, the references 1 to 3 did not disclose all the technical features defined in the independent claim.

2. The prior-art defense was not tenable for the same reason that the references 1 to 3 did not disclosed all the technical features of the independent claim. Besides, in a prior-art defense, comparison should be made between the allegedly infringing article and one piece of prior art, or between the prior art and an obviously simple combination of the prior art with the knowledge of a person ordinarily skilled in the art whereas the appellants used a combination of three technical documents in the comparison, which went far beyond the scope of prior-art defense.

Rule of Law

Article 11 of the Several Provisions of the Supreme People's Court for the Application of Law to Trial of Cases of Patent Dispute *Where the defendant files a request for invalidation of the patent right in suit in a case received by the people's court of dispute arising from infringement of the patent right for design or one from infringement of the patent right for utility model or design in which the Patent Reexamination Board keeps, upon examination, the validity of the patent right, the people's court may not suspend the judicial procedure.*

Reasoning

1. Whether the court hearing should be suspended

The decision made by the people's court regarding the suspension of the court hearing or proce-

ture should be based on the judgment on whether it is possible to affect the validity of the patent right with the references cited by an interested party. As a possibility judgment, it is just a factor to be considered by the people's court in making a suspension decision, and does not have substantial impact on the validity of the patent right.

In their defense made during the first-instance hearing, the Shuaijia et al. requested suspension of the court hearing, and adduced evidence in the form of references to claim that the patent in suit did not possess inventiveness. It was not undue for the first-instance court not to suspend the court hearing under Article 11 of the Several Provisions of the Supreme People's Court for the Application of Law to Trial of Cases of Patent Dispute. However, for the above reasons, the second-instance court may review the request by Shuaijia et al. for the suspension, together with the relevant references from them during the second-instance hearing.

It was found that the combination of the three references from the Shuaijia et al. did not cover all the technical features defined in Claim 1. Furthermore, it was not legally admissible to isolate the technologies defined in the different references, and then combined them in an attempt to attack the inventiveness of the patent in suit. Therefore, the appellants' claim for the suspension on the ground that the patent in suit did not possess inventiveness should not be supported.

2. Whether the prior-art defense was tenable

By the so-called prior art defense is meant that the technology used by the alleged infringer is identical with or closer to the known technology. In the present case, the technology used in the products of Shuaijia et al. was identical with the patented technology in suit, not closer to the technology defined in the references from the appellants. Therefore, the prior-art defense was not tenable.

Nor was the prior-art defense made by Shuaijia et al. by way of isolation and combination of the technologies defined in the references.

Holding

1. The appellants' request for suspension of the court hearing on the ground that the patent in suit did not possess inventiveness should not be supported since references 1 to 3 did not disclose all the technical features of Claim 1, nor have an impact on the inventiveness of the patent in suit.
2. The prior-art defense was not tenable since the allegedly infringing technology was not closer to the references, and multiple references should not be cited to show that the allegedly infringing technology was part of the prior art.