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## Tao Yi v. Beijing Subway Foundation Engineering Corporation

*Citation: The Beijing Higher People's Court's Judgment No. Gaojingzhongzi 15/1992*

*Date of judgment: May 8, 1992*

### **Procedural history**

Tao Yi sued the Beijing Subway Foundation Engineering Corporation (the Foundation Corporation) in the Beijing Intermediate People's Court with regard to the ownership of the patent right. The first-instance court decided that the patent right in suit should be owned by both the Foundation Corporation and Tao Yi. Tao Yi appealed to the Beijing Higher People's Court.

### **Issue**

Determination of a non-service invention

### **Facts**

Tao Yi was former head of the Construction Component Plant under the Beijing Urban Construction Corporation (the Plant). The business scope of the Plant covered making and marketing construction components. The Plant also undertook other commercial activities in the area of foundation engineering construction.

On April 2, 1984, the Beijing Urban Construction Corporation incorporated, in a project of foundation technology, the experiment and application of small pile technology in the Corporation's R&D plan, and assigned the task to the Plant.

On April 16, 1984, Tao Yi made the invention of the drilling press-plasma piling method from the experience he accumulated in his foundation engineering work in the years when he worked for the Sixth Branch of the Infrastructure Engineering Division of the PLA.

On January 5, 1985, the Plant purchased a Z400 type long-bored drilling machine. To meet the requirements set out in the Process Instruction for Design and Construction of Cast-in-place Pile Foundation that no construction work should be started until driving test was conducted with the minimum of two piles, the Plant's construction team, following the instruction in the technical solution, drove two piles from March 16 to 17, 1985. The Plant also used Tao Yi's technical solution several times.

On January 25, 1986, Tao Yi filed with the Chinese Patent Office an application for a patent for the non-service invention of the drilling press-plasma piling method.

On October 3, 1986, the Beijing Great Wall Foundation Company broke away from the Plant, and was reorganized into the Beijing Subway Foundation Engineering Corporation, an enterprise of the same level as the Plant. Tao Yi was its manager.

On February 11, 1988, Tao Yi was granted the non-service invention patent (86100705).

In June 1988, Tao Yi resigned from the Foundation Company.

On August 1, 1989, the Beijing Municipal Administration for Patent Affairs decided that the drilling press-plasma piling method was a service invention and the Foundation Company was the holder thereof.

### **Rule of Law**

Article 6, Paragraph one, of the Patent Law as of 1992 *For a service invention-creation, made by a person in execution of the tasks of the entity to which he belongs, or made by him mainly by using the material means of the entity, the right to apply for a patent belongs to the entity. After the application is approved, the entity shall be the patentee. For any non-service invention-creation,*

*the right to apply for a patent belongs to the inventor or creator. After the application is approved, if it was filed by an entity under the ownership by the whole people, the patent right shall be held by the entity; if it was filed by an entity under the collective ownership or by an individual, the patent right shall be owned by the entity or individual.*

*Rule 10 of the Implementing Regulations of the Patent Law as of 1992 A service invention-creation, made by a person in execution of the tasks of the entity to which he belongs mentioned in Article 6 of the Patent Law refers to any invention-creation made:*

- (1) in the course of performing his own duty;*
- (2) in execution of any task, other than his own duty, which was assigned to him by the entity to which he belongs;*
- (3) within one year from his resignation, retirement or change of work, where the invention-creation is related to his own duty or any other task assigned to him by the entity to which he previously belonged.*

*“Material means of the entity” mentioned in Article 6 of the Patent Law refers to entity’s money, equipment, spare parts, raw materials, or technical data which are not disclosed to the public.*

### **Reasoning**

The ownership of the patent for invention should be determined according to the time when the technical solution was made to see whether the invention fell into the category of service invention at the time. It was found that the technical solution in suit was made on April 16, 1984. On that date:

1. The invention of the drilling press-plasma piling method was not related to Tao Yi’s own duty. As foundation construction fell outside the business scope of Tao Yi’s Plant, research and invention made in this area should not be regarded as being made for performing the duty assigned to Tao Yi, head of the Plant at the time.
2. The work on the drilling press-plasma piling method was not a task assigned to Tao Yi by the Plant. The technical solution, a result of Tao Yi’s own research, was based on his experience accu-

mulated from his years of foundation engineering work. The R&D task assigned to the Plant by the Beijing Urban Construction Corporation on April 2, 1984 was the experiment and application of small piling technology to promote application of the small piling technology in China, other than creating a new piling technology based on the small pile technology. Compared the existing small pile technology with the drilling press-plasma piling method invented by Tao Yi, though both were technical solutions in the area of foundation construction, the experts proved in the technical evaluations that they were substantially different. Furthermore, the fact that Chinese Patent Office had, upon substantive examination, granted a patent right for the drilling press-plasma piling method also demonstrated that the patented technical solution was patentable for its difference from the prior art.

3. Only when the material means of the entity was utilized merely for making, not for exploiting of an invention (technical solution), was the invention a service invention. The date on which Tao Yi's technical solution, the drilling press-plasma piling method, was made was April 16, 1984, and the technical solution was firstly exploited from March 16 to 17, 1985 on the construction site of the Beijing Scientific and Technical Activity Center. The two-pile test driving at the time, as part of the construction preparation as required by the relevant regulations of the State, should be the exploitation of the drilling press-plasma piling method, and was apparently not the experiment of the inventive conception made when the technical solution was not completed. Moreover, the fees for the driving test had been already calculated into the total costs of the entire engineering project, and the Z400 type long-bored drilling machine, used for the construction, was bought with the approval by Tao Yi after he had made his technical solution for the purpose of exploitation of the technical solution and making profits for the Plant. Both were irrelevant to the accomplishment of the technical solution.

### ***Holding***

The invention of the drilling press-plasma piling method was not a result from Yao Yi's performance of his duty, nor from work assigned to him by the entity to which he belonged, nor an invention made using material means of the entity. Therefore, it was not a service invention-creation as defined in the Patent Law.