Featured Article

Application of the Principle of Good Faith in Reexamination and Invalidation Procedure

Article 20 of the Patent Law and Rule 11 of the Implementing Regulations of the Patent Law introduce the principle of good faith, aiming at regulating improper behaviors in filing a patent application and exercising patent rights, cracking down on patent applications that are not for the purpose of protecting innovation, and promoting the improvement of patent quality from the source. In order to prevent the abuse of rights, reduce unfounded disputes and ensure the fairness and efficiency of the patent system, when filing a request for invalidation on the grounds that it does not comply with the provisions of Rule 11 of the Implementing Regulations of the Patent Law, the requester shall give a specific explanation of the reasons for invalidation in combination with the submitted evidence and bear the burden of sufficient proof.

I. Relevant provisions on the principle of good faith

The Patent Law as amended on October 17, 2020 and the Implementing Regulations of the Patent Law as amended on December 11, 2023 introduce the principle of good faith. Article 20 of the Patent Law stipulates: "The principle of good faith shall be followed when filing a patent application and exercising patent rights. The patent rights may not be abused to harm the public interests or the lawful rights and interests of others." Rule 11 of the Implementing Regulations of the Patent Law stipulates: "The principle of good faith shall be followed when filing a patent

application. All kinds of patent applications shall be based on real invention and creation activities, and shall not be fraudulent." Moreover, according to the provisions of Article 9 of the "Transitional Measures for the Handling of Examination Business Related to the Implementation of the Amended Patent Law and Implementing Regulations Thereof" of the Announcement No. 559 of China National Intellectual Property Administration (CNIPA), starting from January 20, 2024, if the requester files a request for invalidation of a patent right granted by the patent administrative department under the State Council on the grounds that it does not comply with the provisions of Rule 11 of the amended Implementing Regulations of the Patent Law, the patent administrative department under the State Council shall apply the provisions of Rule 69 of the amended Implementing Regulations of the Patent Law for examination.

Article 20 of the Patent Law and Rule 11 of the Implementing Regulations of the Patent Law introduce the principle of good faith, aiming at regulating improper behaviors in filing a patent application and exercising patent rights, cracking down on patent applications that are not for the purpose of protecting innovation, and promoting the improvement of patent quality from the source. In order to prevent the abuse of rights, reduce unfounded disputes and ensure the fairness and efficiency of the patent system, when filing a request for invalidation on the grounds that it does not comply with the provisions of Rule 11 of the Implementing Regulations of the Patent Law, the requester shall give a specific explanation of the reasons for invalidation in combination with the submitted evidence and bear the burden of sufficient proof.

In addition, according to the provisions of *Guidelines for Patent Examination*, the "Provisions on Regulating Patent Application Activities" shall be applied to the examination of whether applications for inventions, utility models and designs comply with the provisions of Rule 11 of the Implementing Regulations of the Patent Law.

Article 3 of the above "Provisions on Regulating Patent Application Activities" details eight types of abnormal patent application activities: abnormal patent application activities mentioned in the Provisions include: (1) the contents of inventions and creations of multiple patent applications filed are obviously the same, or are essentially formed by a simple combination of features and elements of different inventions and creations; (2) the filed patent application fabricates, forges or falsifies the content of inventions and creations, experimental data or technical effects, or plagiarizes, simply replaces, pieces together prior art or prior design, etc.; (3) the content of the invention and creation of the patent application filed is mainly randomly generated by using computer technology; (4) the invention and creation filed for patent application

obviously does not conform to technical improvement or design common sense, or deteriorates, stacks, or unnecessarily narrows the scope of protection; (5) the applicant files multiple patent applications without actual research and development activities, and cannot provide a reasonable explanation; (6) the multiple applications that are essentially related to specific units, individuals or addresses are filed by maliciously dispersing, successively or in different places; (7) patent application rights are transferred or assigned for improper purposes, or the inventors or designers are falsely changed; (8) other abnormal patent application activities that violate the principle of good faith and disrupt the normal order of patent work.

II. Analysis of Typical Cases

Since the amendment of the Patent Law and the Implementing Regulations, the CNIPA has successively issued a number of cases of reexamination and invalidation on the principle of good faith. The application of the principle of good faith in the procedure of reexamination and invalidation is set forth below by combining three specific cases.

Case 1: Decision of request for invalidation No. 569528

The patent involved is entitled "Sodium Gold Sulfite Cyanide-free Gold Electroplating Solution and Electroplating Process Thereof", with the invention patent number 202211472899.8.

The requester provides Evidence 1-7, and believes that this patent is an abnormal patent application activity of "fabricating the content of inventions and creations", "obviously not conforming to the common sense of technical design", or "unnecessarily narrowing the scope of protection", such that the claims of the patent involved do not comply with the provisions of Rule 11 of the Implementing Regulations of the Patent Law. The specific reasons are as follows. The patent involved selects uncommon and extremely small amount organic compounds as functional auxiliaries, whether they can co-exist in a solution and have the claimed function is lacking prior art to provide evidence; dosage of complexing agent in this patent is low, and complexing agents such as sodium sulfite are not included, so that gold cannot be stably dispersed in the plating solution, and the plating solution is unstable; this patent does not use conventional conductive salts, and its concentration cannot make the plating solution have the required conductivity for electroplating; and limiting the mass concentration ratio of the two substances constituting the composite leveling agent and the composite stabilizer to a specific numerical point of 1: 1 in claim 1 of the patent is a case where the scope of protection is not necessarily limited.

The panel believes that the evidence submitted by the requester in this case is not enough to prove his claim. The specific

reasons are as follows: Evidence 1 is the authorization announcement text of this patent, and Evidence 2-3 are the other two invention patents of the patentee involving "cyanide-free gold plating solution". There is no contradiction between the published contents of Evidence 1-3, and limiting the mass concentration ratio of the two raw materials to 1: 1 is also a common limitation method in patent application documents in the chemical field. Evidence 4-7 are book documents, in which the complexing agent, conductive salt and its concentration commonly used in sulfite gold plating and current density are disclosed. However, the disclosed technical solution is different from the patent involved, and the composition of functional additives used is also different from that of the patent involved. As a result, the content disclosed in Evidence 4-7 is not enough to prove that the composite brightener and other additives in this patent cannot be used in gold plating solution, nor is it enough to overturn the authenticity and rationality of the technical information in this patent. In other words, the requester has not submitted sufficient factual evidence to prove that this patent is "fabricating the content of inventions and creations", "obviously not conforming to the common sense of technical design", or "unnecessarily narrowing the scope of protection".

In essence, the evidence submitted by the requester is not enough to prove that the patent involved is not based on real invention and creation activities when filing the patent application, and there is fraud activity which violates the principle of good faith. The reason for invalidation put forward by the requester on the grounds that the claims of the patent involved do not comply with the provisions of Rule 11 of the Implementing Regulations of the Patent Law cannot be established.

Case 2: Decision of request for invalidation No. 583749

The patent involved is entitled "Upper and Lower Cutting Device for Full-automatic Soft Material Cutting Equipment", with the invention patent number 201821114751.6.

The requester provides Evidence 1-9, and believes that this patent copies the prior art and does not comply with the provisions of Rule 11 of the Implementing Regulations of the Patent Law. The specific reasons are as follows: combined with Evidence 1, 2 and 9 and Evidence 3-5, it can be proved that the patent has the case of plagiarizing the prior art of the requester which has been publicly sold. Mr. Zhang and Mr. Tang served as the on-site engineers of Company A (the requester), and had contact with the cutting bed equipment and its structural drawings developed and sold by the company. After Mr. Zhang and Mr. Tang resigned, they established Company B (the patentee) as the initial investors and largest shareholders. Later, Company B, as the applicant, applied for 56 patents including the patent involved based on the prior art. This patent application behavior did not conform to the principle of good faith, and

the claims did not conform to the provisions of Rule 11 of the Implementing Regulations of the Patent Law.

The panel believes that when judging whether this patent application belongs to "plagiarizing the prior art", it should be judged from at least the following two aspects: first, whether the content of invention and creation of this patent is the same or highly similar to the content of the prior art; second, whether the patentee knows that it is the prior art when filing a patent application, but still applies for a patent.

Firstly, regarding the technical content: the technical solution of this patent has been disclosed by the equipment in the evidence, and the spatial position relationship, shell and accessory shape of the equipment in the specification and drawings of this patent, as well as the structure and function thereof, technical concept and expression, are all highly consistent with the equipment in the evidence.

Secondly, regarding the application activity: according to the timeline shown in the evidence and the job responsibilities of Mr. Zhang and Mr. Tang as the on-site engineers of the requester, there is a high probability that they are aware of the design information or physical objects of the equipment publicly sold by the requestor; and there is also a high probability that they, as the initial shareholders of the patentee, have contacted and participated in the research and development activities of the patentee. During the trial, the panel requested the patentee to express its opinions on the requester's claim, and informed the patentee that it could state the opinions or submit evidence on the research and development process and research and development content of the technical solutions of the patent involved, whether plagiarism was involved, and the like, but the patentee did not submit any opinions or disproof.

In summary, it can be concluded that the patentee has known the relevant prior art before the filing date, and plagiarizes the prior art to file the patent application.

Further, the panel not only analyzes and identifies the activity of "plagiarizing the prior art", which violates the principle of good faith, but also comments on its application when it competes with "not possess novelty".

The panel believes that: on one hand, the technical solution of this patent does not possess novelty because it belongs to the prior art; on the other hand, the patentee subjectively knows that the technology belongs to the prior art when filing the patent application, but deliberately applies for a patent. This activity conforms to the situation of plagiarism of the prior art stipulated in Article 3 (2) of the "Provisions on Regulating Patent Application Activities", and there are problems of not following the principle of good faith and

fraud in the patent application, which violates the provisions of Rule 11 of the Implementing Regulations of the Patent Law. In such a case, Rule 11 of the Implementing Regulations of the Patent Law shall be applied first. First of all, the application of Rule 11 of the Implementing Regulations of the Patent Law can reflect this case more comprehensively. "Not possess novelty" only indicates that the technical solution of this patent is not different from the prior art, and the "novelty" in the Patent Law does not distinguish whether it is "unintentional or accidental identical" or "intentional or plagiarized similarity"; however, "plagiarism of the prior art leads to non-compliance with Rule 11 of the Implementing Regulations of the Patent Law" indicates that no improvement has been made to the prior art, and there are behaviors of fraud and non-compliance with honesty and credit in the application process of the patent. Secondly, the application of Rule 11 of the Implementing Regulations of the Patent Law is in line with the orientation of advocating honesty and credit and promoting high-quality development. Thus, in the invalidation procedure, Rule 11 of the Implementing Regulations of the Patent Law shall be applied first if it has been determined as "fraud" or "plagiarism of the prior art", so as to implement the principle of good faith, guide the applicant to act self-disciplined, promote the improvement of patent quality from the source, and maintain a good innovation environment and market order.

In essence, based on the respective legislative purposes, institutional functions and legal effects of Rule 11 of the Implementing Regulations of the Patent Law and Article 22.2 of the Patent Law, this patent should be invalid on the grounds that it does not comply with the provisions of Rule 11 of the Implementing Regulations of the Patent Law.

Case 3. Examination decision of request for reexamination No. 1878153

The patent involved is entitled "Tinib-based Small Molecule Compound and Preparation Method Thereof", with the application number 202211011233.2.

The CNIPA rejects this application on the grounds that the specification does not comply with the provisions of Article 26.3 of the Patent Law. Specifically, the rejection decision holds that Examples 1-3 of the specification of the present application only describe the preparation method of the compound, but do not describe the characterization data of the compound and the qualitative and quantitative experimental data of the compound of the present application having any pharmacological effect, and the use of such compound is not disclosed in the prior art. Thus, those skilled in the art cannot determine that the compound of the present application has the use and/or effect claimed by the applicant in light of what is described herein in combination with the prior art. Accordingly, the specification of this application does not

comply with the provisions of Article 26. 3 of the Patent Law.

The requestor for reexamination is not satisfied with the rejection decision, and files a reexamination request to the CNIPA. The requestor for reexamination believes that the present application discloses the specific structure of tinib-based small molecule compounds and the preparation methods thereof, and the tinib-based small molecule compounds of the present application can be characterized by the preparation methods. In addition, the present application is supplemented to the experimental data proving that the tinib-based small molecule compounds in Example 1 have higher human tolerance and less toxic and side effects.

The CNIPA sets up the panel to hear this case. In addition to believing that the specification of this application is not fully disclosed, it is believed that the drug clinical trial data provided by the requestor for reexamination is suspected of fabrication, which violates the principle of good faith.

Particularly, the panel believes that whether it violates the principle of good faith needs to be analyzed from the following two constituent elements: first, objectively, whether the applicant of the patent has committed fraud; second, subjectively, whether the applicant of the patent has the intention to resort to fraud. The latter constituent element generally needs to be inferred in combination with the objective facts presented in the case.

Regarding this application, the requestor for reexamination submits data from drug studies conducted in humans, that is, the drug clinical trial data, at the time of filing the reexamination request.

According to Article 33 of the "Measures for Administrative of Drug Registration (2020)", the information such as the clinical trial protocol shall be registered on the drug clinical trial registration and information disclosure platform before conducting the clinical trials, and the registered information is publicized on the platform. After verification, the information of clinical trials mentioned by the requestor for reexamination is not shown on the drug clinical trial registration and information disclosure platform, that is, the legality and authenticity of the clinical trials mentioned by the requestor for reexamination are doubtful, and the requestor for reexamination fails to provide any evidence to clarify this issue. Clinical trials of new compounds and drugs need to be completed by cooperating with medical institutions after obtaining the approval of the National Medical Products Administration. Without relevant approval, the medical institutions cannot apply the compounds to patients. This is the most basic ethics from the perspective of safeguarding human life and health. In a case where the problem has been pointed out in the reexamination notice, and the requestor for reexamination is explicitly required to provide corresponding

evidence to show that the clinical trial data provided by it comes from real inventions and creations, however, the requestor for reexamination is lazy in fulfilling the corresponding burden of proof, the panel has reasonable grounds to suspect that the drug clinical trial data submitted by the requestor for reexamination is suspected of fabrication, and the above behavior of the requestor for reexamination is subjectively intentional, which violates the principle of good faith and does not comply with the provisions of Rule 11 of the Implementing Regulations of the Patent Law.

III. Relevant enlightenment

In Case 1, the reasons for invalidation of the requester are only to challenge the patent and point out some counterintuitive issues based on common sense, but the requester fails to provide sufficient evidence to prove it. Therefore, the panel does not support the claim of the requester for invalidation.

In Case 2, the requester for invalidation submits a set of evidence to prove that the technical solution of the patent involved has been sold and disclosed before the filing date, and a set of evidence to prove that the patentee knows that the technical solution is the prior art when filing the patent application, which is sufficient to fully prove that the patent involved plagiarizes the prior art, and thus the panel supports the claim of the requester for invalidation. Moreover, in Case 2, when there is a competition between Rule 11 of the Implementing Regulations of the Patent Law and other legal provisions (such as Article 22.2 of the Patent Law), Rule 11 of the Implementing Regulations of the Patent Law, which can more comprehensively reflect the essence of the case, is applied.

In Case 3, the examiner does not make a rejection decision on the grounds of violating the "principle of good faith" at the substantive examination stage, but on the grounds of Article 26. 3 of the Patent Law. The applicant submits supplementary data in order to overcome the deficiencies pointed out by the examiner. Regarding this supplementary data, the panel believes that it does not comply with the relevant provisions of the "Measures for Administrative of Drug Registration (2020)" and violates the principle of good faith, and introduces Rule 11 of the Implementing Regulations of the Patent Law according to its ex officio.

It can be seen from the above that when filing an invalidation request on the grounds that it does not comply with the provisions of Rule 11 of the Implementing Regulations of the Patent Law, the requester shall specifically explain the reasons for invalidation in combination with the submitted evidence, and bear the burden of sufficient proof. The proof shall reach the level sufficient to prove that the patent involved is not based on real invention and creation activities, and there

is fraud in the application process. Otherwise, the requester shall bear the adverse consequences of failing to give evidence.

On the other hand, the cost of putting forward the reasons for invalidation with "good faith" is relatively low, but it costs the CNIPA and the patentee higher costs to deal with the reasons for invalidation. This may also become the "abuse of rights" which is concerned when the "principle of good faith" is established as a clause for invalidation. Therefore, the author believes that it may be necessary to set the procedures and conditions for raising the reasons for invalidation based on the "principle of good faith" more specifically. For example, the CNIPA may set up a preliminary examination procedure for examination or refuse to support the requests based only on subjective challenges but without specific reasons and substantive evidence, so as to prevent the abuse of rights.

The principle of good faith may be introduced for examination at any time throughout the entire cycle of an application (preliminary examination stage, substantive examination stage, reexamination and invalidation stage, and rights exercise stage), aiming at cracking down on patent applications that are not for the purpose of protecting innovation, and promoting the improvement of patent quality from the source. Therefore, the enterprises should follow the principle of good faith at any stage, adhere to real innovation and improve the quality of patents, in order to win in the increasingly fierce market competition environment.

Reference:
1. Decision of request for invalidation No. 583749
2. Decision of request for invalidation No. 569528
3. Examination decision of request for reexamination No. 1878153

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