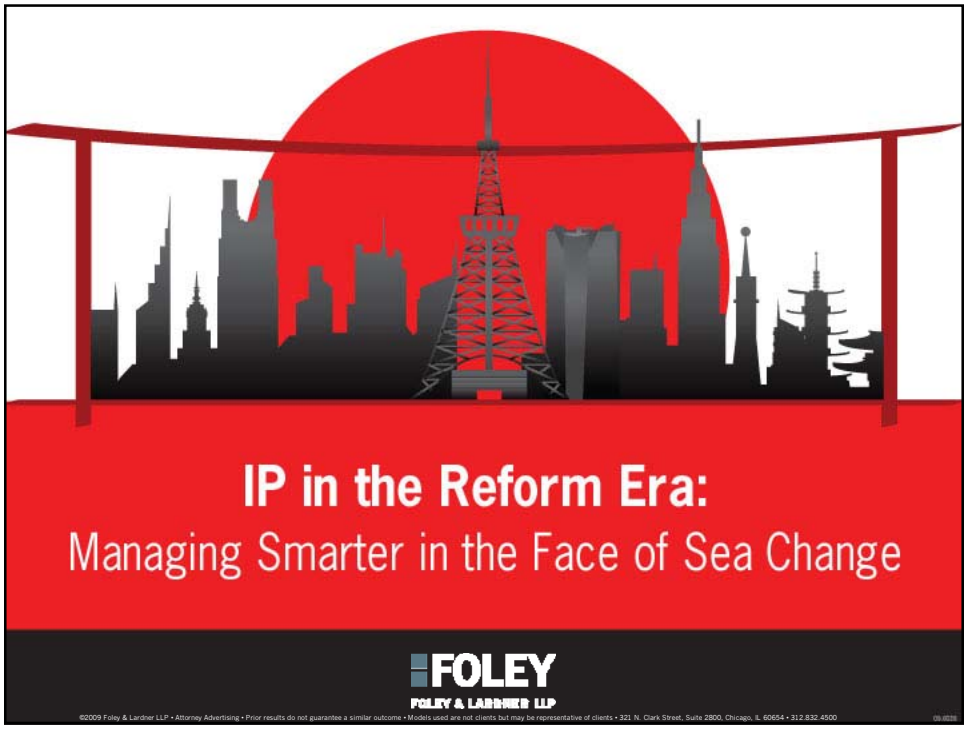

Presentation Version

The New Administration and Director Kappos — What Happens Next?

Jon W. Dudas

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Pre-Nomination—David Kappos Outlines Visions for the Patent System

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- A video of that Webinar may be found at:
  http://www.foley.com/patent reform
  Link to 5/8/2009—"IP Outlook in the Reform Era"
  - Using technology to improve the patent system:
  - International Collaborative Examination (ICE)
  - Peer to Patent (P2P)
  - Open Source as Prior Art (OSAPA)
  - Patent Quality Index (PQI)

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IP in the Reform Era: Managing Smarter in the Face of Sea Change

Immediate Issues Director Kappos Faces

- Patent Reform Debate
- *Tafas v. Kappos*—continuations and claims rules
- Funding Crisis
- Growing International Cooperation
- Production System—balancing speed & quality

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Patent Reform—Key Provisions at Issue

- Damages
  - Reasonable royalty specifically defined (H.R. 1260)
  - Gatekeeper function only (S. 515, amended)
- Post-grant Review
  - Public use or sale a basis for *inter partes* reexam (H.R. 1260)
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  - Focus on defendant's location (H.R. 1260)
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IP in the Reform Era: Managing Smarter in the Face of Sea Change

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- Inequitable Conduct
  - Not addressed in either bill
  - A critical issue to address for the Administration

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Patent Reform—Next Steps

- The patent reform bill still has a number of steps before it can become law
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  - Key initiatives
  - Funding bills
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  - Congressional insiders believe we will see progress early in early 2010

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IP in the Reform Era: Managing Smarter in the Face of Sea Change

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Thank You

ありがとうございました

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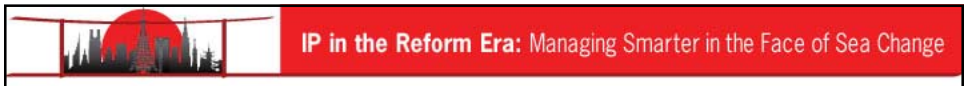

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Patent Reform Debate--Status

- On April 2, the Senate Judiciary Committee approved their bill, S. 515 by a vote of 15-4
  - Key Senators agree on damages, venue, willfulness and reexamination to move the bill forward
- April 30--House Judiciary holds hearing
  - Key Members made clear the House would have its own say in patent reform

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Patent Reform--Administration Involvement

- While legislation is a creature of the Congress, the Administration plays a critical role in the debate.
  - The Bush Administration USPTO was a key player in past patent reform debates.

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Patent Reform—IBM Views

- Before being nominated as Director, Kappos advocated for IBM in support of the patent reform bills:
  - Supports post-grant opposition
  - Supports damages provisions and offers an alternative between the two bills as currently amended
  - Supports Changes to willful damages provisions
  - Supports more 3rd party prior art submissions
  - Supports change in venue

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After *Tafas v. Kappos*

- The USPTO must address the issues of dramatic growth and effects of RCEs, continuations, claims and voluminous information disclosure statements
  - Anticipate further dialogue with the IP community
  - Anticipate internal procedural changes or new proposed rules
- **Inequitable Conduct** is a fundamental component to these issues and must be addressed at the USPTO if not through legislation or the courts
  - Anticipate changes at the USPTO
  - Anticipate Administration input to Congress

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Funding Crisis

- USPTO faces an immediate cash flow problem
  - Economic downturn has meant a drop in application, issue and maintenance fees
  - Lower allowance rate has meant a drop in maintenance fees
  - Government funding system does not allow savings or reserves

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Funding Crisis--A Threat to Employees

- The USPTO instituted hiring freeze
- Overtime is eliminated
- Popular programs are eliminated or scaled back

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Funding Crisis—Short-term Solution

- Congress and the President enact Public Law 111-45
  - This is a short-term stopgap measure
  - Patent Office may borrow from Trademark Office
  - Transfer of funds may be made only to avoid furloughs and/or reductions in force
  - Transferred funs must be repaid
  - A patent fee surcharge is required if necessary

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Effects of the Funding Crisis

- Backlog reduction is at risk
  - USPTO was on course for significant backlog reductions in the next three years
  - Last four years—applications grew about 20% and production grew about 40%
  - Hiring freeze takes the USPTO off targeted path
  - Near term backlog reduction in backlog is certain because of past hiring and lower application volume
  - Long-term backlog reduction is threatened by hiring freezes and reduction of overtime
- Employee morale is diminished

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Advancing International Initiatives

- Promote the Anti-counterfeiting Treaty
- Press for patent law harmonization at the World Intellectual Property Organization
- Promote the IP5 heads of Office Collaboration
- Continue to grow the Patent Prosecution Highway

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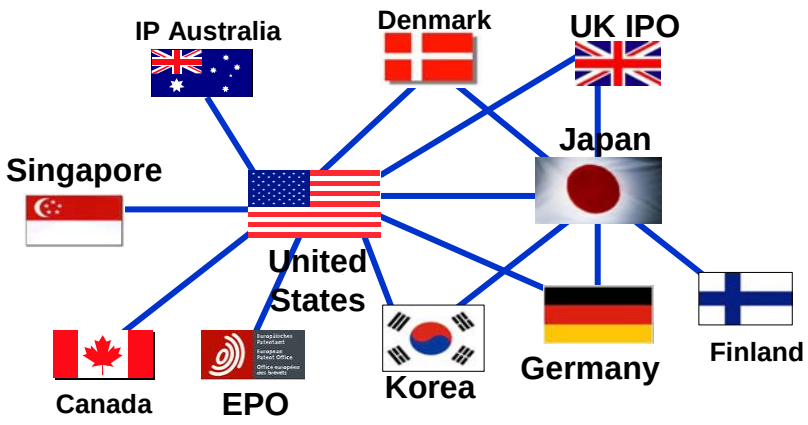
Background--Patent Prosecution Highway



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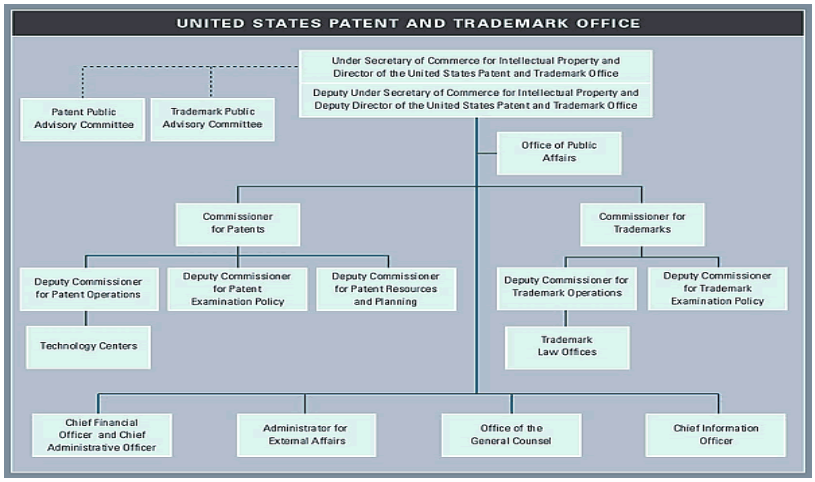
Background—USPTO Organizational Structure



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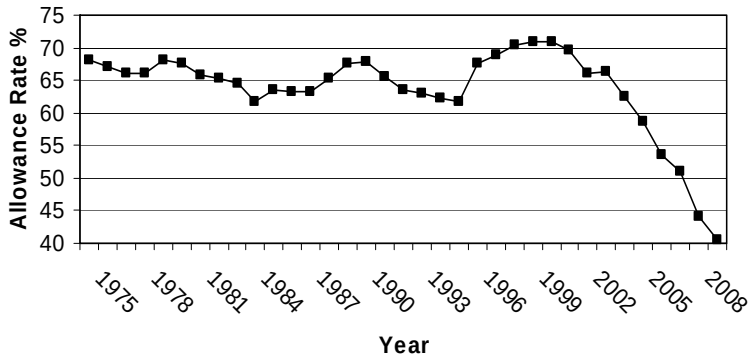
Background—USPTO Allowance Rates



2009 Allowance Rate through third quarter: 41.13%

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Smarter Reexamination

Pavan Agarwal
Stephen Maebius
Harold Wegner

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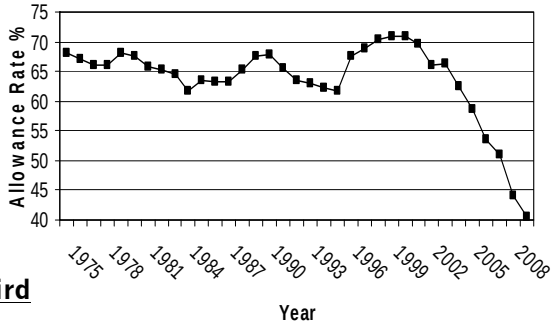
Why Are More Reexams Being Filed?

- Historically high rejection rate at USPTO



2009 Allowance Rate
First quarter : 42.3%
Second quarter: 40.5%
Third quarter: 40.6%
Average for 2009 up to third quarter: 41.13%

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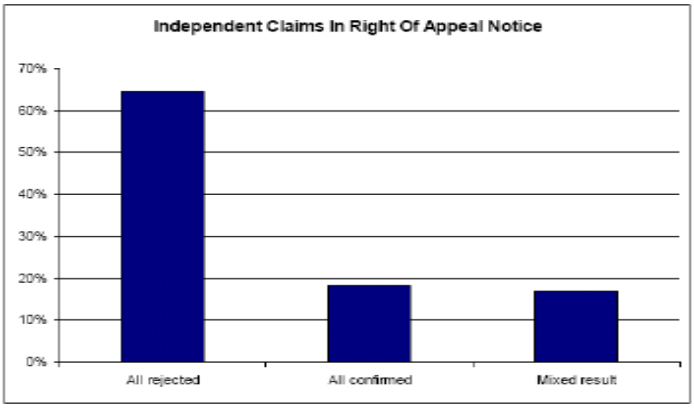
Why Are More Reexams Being Filed?



Matthew A. Smith, *Inter Partes* Reexamination, Ed. 1E, p. 48 (Jan. 31, 2009)

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Parallel Reexamination & Litigation

Inter Partes Patent Reexamination Requests

Fiscal Year	04	05	06	07	08
Total Requests	27	59	70	126	168
% Granted	100	95	91	99	95

Percentage with Parallel Litigation

19	49	46	64	68

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Parallel Litigation & Reexamination – Complex Strategy Implications

- 2-way scope of estoppel between litigation and reexam
- Scope extends to arguments which "could have been raised", but more issues can be raised in litigation than in reexam (e.g., no 112 issues or on-sale bars in reexam)
- Strategy is for each party to try to get close to a final favorable decision in one or the other forum, either in litigation or in the PTO, then use the estoppel provision to stop the other proceeding

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Litigation Stay Or Reexam Suspension – Why Timing Is Critical

- PTO may suspend reexamination for "good cause", which can be that the court is closer to a final decision than the PTO (if PTO can't catch up, no point in having reexam)
- If reexam is suspended, then parties can wait for final decision of validity or invalidity in court and file a petition to terminate the reexam
- Flip side: litigation may be stayed based on reexam
- If litigation stayed, then final decision in reexam ends validity determination in litigation

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Litigation Stay or Reexam Suspension – Why Timing is Critical

- Overall success rate for grant of litigation stay: 50%

Source: MATTHEW A SMITH, *Inter Partes Reexamination*, Ed. 1E, pp. 232-33 (Jan. 31, 2009).

- Biggest factors: habits of particular judge & relative stages of reexam versus litigation
- advanced reexam stage versus earlier litigation stage means higher chance of litigation stay
- Advanced litigation stage versus earlier reexam stage means higher chance of PTO suspension of reexam

Strategic Measures for Effective and Efficient U.S. Patent Litigation

Etsuo Doi
Pavan Agarwal

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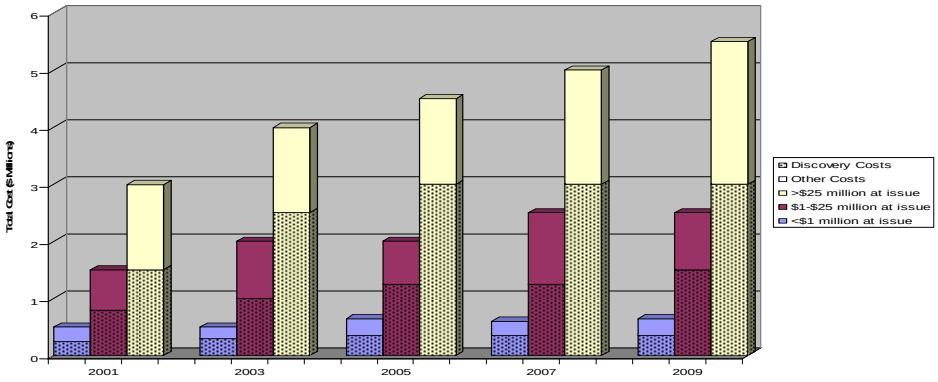
Median Patent Litigation Costs



*AIPLA Report of the Economic Survey

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U.S. Patent Litigation: Discovery

- Discovery in U.S. litigation
  - Most time consuming, disruptive, and expensive part of U.S. litigation
  - E-discovery can be very expensive, both attorney fees and vendor fees
  - No matter what you do, the other side will complain that should have done more

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Strategic Measures for Effective and Efficient U.S. Patent Litigation - What is "discovery" ?

- What is discovery?
- Objectives of discovery in patent cases
- The Tools of discovery
- Requests for Production and its advantage and disadvantage
- Comparative Perspective between US discovery and Japanese document production order
- Case study on discovery risks

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The Tools of Discovery

- **Four Main Types**
  - Requests for Production
  - Interrogatories
  - Requests for Admission
  - Depositions

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Requests for Production

- Unlimited in number
- May serve on any party or non-party
- May cover anything relevant to "a claim or defense of a party"
- Response due in 30 days
- Duty to supplement if "incomplete or incorrect"

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Advantages of Requests for Production

- Unlimited in number
- Inexpensive to prepare
- Only way to obtain certain documents
- Provide materials for experts
- May support summary judgment
- Force the opponent to spend resources

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Disadvantages of Requests for Production

- Difficult to specify key documents
- May result in a "document dump"
- Opponent may propound similar requests

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Comparative Perspective on Discovery

- There is no equivalent of US pretrial Discovery in Japan
- Although the Code of Civil Procedure provides for documents production obligation to a party to the litigation, its function and scope are rather different from US discovery
- In addition, sanction for violation of US discovery is far more critical than that for violation of document production order in Japan
- As a result, Japanese companies may not be as well prepared for the discovery risks in daily business operation
- Also, Japanese companies could be taken advantage of by a counterparty in US litigation

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Case study on discovery risk (1): Failure to preserve documents - U.S. v. Philip Morris

Philip Morris deleted and lost relevant e-mails of employees including senior management

- Philip Morris failed to comply with its document retention policy
- The court rendered severe sanctions:
  - Prohibited testimony by eleven key employees
  - Imposed penalty of 2.75 million USD
  - Imposed Philip Morris to bear the cost for the deposition on the issue of discarding the e-mails

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Case study on discovery risk (2): Failure to preserve documents – Kucala Enterprises Ltd. v. Auto Wax Co., Inc. (N.D. Ill. 2004)

- One day prior to the end of the submission deadline, the Plaintiff used a software called "Evidence Eliminator" and deleted 15,000 computer files
- Defendant's investigation team found out the data deletion
- The court rendered the following sanctions:
  - Dismissed Plaintiff's claims and defenses
  - Ordered Plaintiff to pay about 100,000 USD costs to Defendant

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Electronic Discovery

- In December 2006, the Federal Rules of Civil Procedure changed
- Amended Rules address problems with e-discovery
- Changes to Rules:
  - 16 (Early meeting of counsel)
  - 26 (Scope of discovery and privilege)
  - 33 (Interrogatories)
  - 34 (Requests for Production)
  - 37 (Sanctions)
  - 45 (Subpoenas)

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Under New Rules: What is ESI and What is the Format in Which it is to be Produced?

- ESI is "any type of information that is stored electronically" (Advisory Committee Notes to Revised FRCP 34)
- Requesting party may specify format (Rule 34(b))
- But parties are encouraged to reach agreement on format of production during their early planning conference (Rule 26(f)(3))
- If parties cannot agree and requesting party fails to specify format, the responding party must produce ESI "either in a form or forms in which it is ordinarily maintained or in a form or forms that are reasonably usable." (Rule 34(b)(ii))
  - Thus, a party may be required to convert its data to a format that the other parties can use
  - May be required to provide technical support

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Under New Rules: What is a Party's Duty to Disclose ESI?

- Existence of ESI must be disclosed at beginning of lawsuit
  - Initial discovery plan must discuss "any issues relating to disclosure or discovery of electronically stored information, including the form or forms in which it should be produced" (Rule 26(f)(3))
- Each party must provide "a description by category and location of... electronically stored information...that the disclosing party may use to support its claims or defenses" (Rule 26(a)(1)(B)).
  - The timing of the disclosures (under Rule 26(a)(1(B)) varies by jurisdiction, but is always early in the litigation – usually before discovery begins.
  - Must provide these disclosures without waiting for a request from the other side.
  - ***Parties must also identify any sources of ESI that are "not reasonably accessible" and that are thus not being searched or produced.

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Under New Rules: How is Discovery of "Not Reasonably Accessible" ESI Limited?

- Rule 26(b)(3)(B) limits discovery of "electronically stored information that the [responding] party identifies as not reasonably accessible because of undue burden or cost"
  - Responding party must provide details about burden and costs
  - If requesting party asks Court to compel production, the responding party must justify the "not reasonably accessible" designation by showing the "undue burden and cost."
  - Even if responding party can show "undue burden and cost, requesting party may still force production if it can show "good cause."
  - Courts use a multi-factor test for "good cause" *See, e.g. In re Veeco*
  - ***The definition of "not reasonably accessible" will be disputed in many cases.

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Under New Rules: How is Inadvertent Disclosure of Privileged or Work Product Information Handled?

- Rule 26(f) requires parties to discuss and try to agree on how claims of inadvertent disclosure should be addressed.
- If parties cannot agree, they follow Rule 26(b)(5):
  - If privileged information is inadvertently produced, the party claiming privilege may notify the receiving party of the mistake;
  - Receiving party must return, destroy or "sequester" all copies, and may not use or disclose the information until the claim is resolved;
  - Receiving party may present the information to the court to decide whether there is a real privilege;
  - If receiving party disclosed the information before being notified, it must take reasonable steps to retrieve it;
  - Producing party must preserve the information until claim is resolved.

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Under New Rules: What Happens if ESI is Lost or Deleted in "Good Faith?"

- Existence of ESI must be disclosed at beginning of lawsuit
- Parties may be sanctioned for failing to preserve relevant ESI
- New Rule 37(f) is extremely vague:
  - "Absent exceptional circumstances, a court may not impose sanctions under these rules on a party for failing to provide electronically stored information lost as a result of the routine good-faith operation of an electronic information system."
  - Courts will need to interpret each one of the underlined terms so that litigants and third-parties develop an understanding of what is required.
  - At a minimum, intentional destruction to avoid producing information is clearly prohibited, and *some* inadvertent destruction *may* be permissible under certain circumstances.

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U.S. Patent Litigation: E-Discovery Thoughts

- Company appointed task team that understands the systems and how to effectively implement a litigation hold
  - Work with IT persons to understand the company's systems, including historically
  - Understanding how the engineers store their information
- Using task team knowledge to arrange searches of relevant electronic records

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U.S. Patent Litigation: E-Discovery Thoughts

- Careful about agreeing upon specific production format
  - Native documents, while carrying metadata, avoid the very high cost of TIFFing
    - Seem to be more difficult for opposing party to manage
- Privilege reviews should be reasonable
  - See Federal Rule of Evidence 502 – No waiver for inadvertent disclosure if (among other things): "the holder of the privilege or protection took reasonable steps to prevent disclosure"
- Communicate with opposing counsel about scope

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U.S. Patent Litigation: Litigation Management

- What are the real issues in the case?
  - Don't fight over the peripheral issues
- Focus on fighting the important discovery disputes
  - E.g., Pressure plaintiffs for incomplete infringement contentions
- Prepare your documents early. Catching up is quite expensive and distracts litigation team from the key substantive issues
  - Some jurisdictions have local rules and known practice for the scope of production, e.g., ED Texas

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U.S. Patent Litigation: Litigation Management

- Strong communication channel with outside counsel and internal trustworthy network
- Educate the internal management (engineering and business) about litigation holds and document collection
- Seeking strong JDG dynamics
  - Sharing experts, prior art searching, etc.
  - Fair contribution to the group effort

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Eastern District of Texas: Introduction

- Among the Top Districts for Number of Patent Cases
- Traditionally known for being pro-patentee
  - Before 2006:
    - Effectively, patentees seem to win every patent trial, with big money awards
    - Very difficult to invalidate patents with ED Texas jury
  - Since 2006:
    - More even wins on both sides
    - In most cases, discovery still effectively favors patentees

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Eastern District of Texas: Still Scary

- Patentees Can Still Win Big with ED Texas Juries - Recent Examples:
  - *Centocor v. Abbott* - $1.67B (June 2009; Ward)
  - *i4i Limited Partnership v. Microsoft* - $200M (May 2009; Davis)
  - *Saffran v. Boston Scientific Corp.* - $431M (2008; Ward)
  - *Grantley Patent Holdings, Ltd. v. Clear Channel Comm., Inc.* - $66M (2008; Clark)
  - *Rembrandt v. CIBA* - $41M (2008; Everingham)
  - *Pioneer v. Samsung* - $59M (2008; Folsom)

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Eastern District of Texas: Discovery

- Court has specific local patent rules, including detailed infringement and invalidity disclosures and document productions
  - Court has placed more emphasis on *quality* of these disclosures, requiring more details from both sides
- Discovery can be burdensome
  - No formal document requests – "Gentleman's Requests" are made
  - E-Discovery requests can be broad, and Court does not place much of a limit on discovery scope
  - With non-practicing entities, discovery favors plaintiffs

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Eastern District of Texas: Transfer

- Traditionally, hard to transfer case out of ED Texas
  - Strong deference to Plaintiff's choice of forum
- Two major cases in late 2008 changed landscape:
  - *In re Volkswagen AG*, 5th Circuit (Oct. 10, 2008)
  - J. Ward had denied motion to transfer (§1404(a))
  - Court of Appeals for the 5th Circuit found that J. Ward clearly abused his discretion; should have transferred
  - Defendant must show good cause to transfer: "When the movant demonstrates that the transferee venue is clearly more convenient, however, it has shown good cause and the district court should therefore grant the transfer."

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Eastern District of Texas: Transfer

- Two major cases in late 2008 changed landscape:
  - *In re TS Tech USA Corp.*, 551 F.3d 1315 (CAFC Dec. 2008)
  - J. Ward had denied motion to transfer (§1404(a))
  - Court of Appeals for the Federal Circuit found that J. Ward clearly abused his discretion; he should have transferred case
  - Federal Circuit observed:
    - J. Ward gave too much weight to the Plaintiff's choice of forum
    - J. Ward should have given more weight to fact of witnesses having to travel for trial
    - None of the documentary evidence was in Texas
    - Local interest of potentially infringing products does not weigh against transfer
  - *See also In re Genentech Inc.*, (CAFC May 2009)

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Eastern District of Texas: Transfer

Basis of Transfer Analysis:

- Main "private interest" factors: (1) the relative ease of access to sources of proof; (2) the availability of compulsory process to secure the attendance of witnesses; (3) the cost of attendance for willing witnesses; and (4) other practical problems that make a trial easy, expeditious and inexpensive.
- Main "public interest" factors: (1) administrative difficulties flowing from court congestion; (2) the interest in having localized interests decided at home; (3) the familiarity of the forum with the governing law; and (4) avoiding conflicts of laws or problems in applying foreign law.

Eastern District of Texas: Transfer

What's Happening on Transfer in 2009:

- National vs. regional case
- Have the patents been litigated before?
- Courts subpoena power over trial witnesses
- Other factors showing less important:
  - Document location
  - Time to trial (ED Texas time to trial is increasing)
  - Overseas witnesses inconvenienced in most forums
- Plaintiffs are savvy to the analysis
  - Create a national character
  - Sue at least company (e.g., retailer) located only in ED Texas
  - Include a defendant company headquartered in ED Texas
  - Create plaintiff's tie to ED Texas

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Eastern District of Texas: Transfer

What's Happening on Transfer in 2009:

- *Novartis Vaccines & Diagnostics v. Hoffman-La Roche,* No. 07-507 (Feb. 2009)
  - National character and some documents located in ED Texas
- *Intellectual Capital Holdings Limited v. NEC Corporation of America et al.*, No. 08-65) (June 2009)
  - National character, and one plaintiff and one defendant had connections with Texas
- *Sipco, LLC v. Amazon.com et al*, No. 08-359 (June 2009)
  - Denied motion to sever, so one defendant could move case.
  - Relied on CAFC *Volkswagen* (different one) May 2009 case indicating that multiple cases in different forums on same patent issues wasteful of time, energy, and money

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Patent Infringement in China under the Third Amendment

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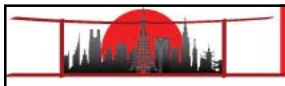

"Law" and "Guidelines"

- "***Law***" – refers to the Chinese Patent Law under the Third Amendment effective October 1, 2009.
- "***Guidelines***" – refers to the June 18, 2009, Supreme People's Court or *draft* of a Judicial Interpretation guideline that the court provides "[t]o accurately handle patent infringement cases[; therefore], this Court hereby promulgates this Judicial Interpretation in accordance with the PRC Patent Law, PRC Code of Civil Procedure and other relevant laws so as to consolidate the trial practice."

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Effective Date

- **October 1, 2009** is the effective date.
- **Retroactive Effect:** If there is *current* litigation where infringement *continues* after October 1, 2009, the new law will apply:

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Effective Date (Guidelines)

- "For an act of patent infringement that occurs prior to October 1, 2009, the Patent Law prior to amendment shall govern. For an act of patent infringement that occurs after October 1, 2009, the amended Patent Law shall govern." *Guidelines*, Art. 25.

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Statutory Tools for Patent Infringement

- **Test for Patent Infringement:** "The extent of protection of the patent right ...shall be determined by the terms of the claims." *Law*, Art. 59, first sentence.
- **Interpretative Tools:** "The description and the appended drawings may be used to interpret **the terms of the claims**." *Law*, Art. 59, second sentence.

Viewpoint of Worker in the Art

- Claims are interpreted from the viewpoint of a worker in the art:
- "[The court] shall refer to the content of the claim that is comprehended by a technical person of ordinary skill in the art after reading the specification and drawings." *Guidelines*, Art. 2, first sentence.

Expert Meaning vs. Ordinary Meaning

Meaning to Worker in the Art Trumps Ordinary Meaning:

- "Where the content of the claim that is comprehended by a technical person with ordinary skill in the art is different from the literal meaning of the claim, the content comprehended by the technical persons with ordinary skill shall govern when determining the scope of patent protection." *Guidelines*, Art. 2, second sentence.

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Purpose of Invention; Success

Claim Scope is Keyed to Purpose of Invention and Successful Embodiments:

- "The scope of protection of the patent right shall conform with the purpose for the patented invention, and it shall not include an inferior technical solution having a defect or shortage in existing technology which has been overcome by the patent concerned." *Guidelines*, Art. 2, third sentence.

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Specification vs. Ordinary Meaning

Specification Meaning Trumps Ordinary Meaning"

- "[W]here the specification contains a specific definition of any term, phrase or language used in the said claim, such specifically defined term, phrase or language shall govern." *Guidelines*, Art. 3.

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Ambiguous Terms, Outside References

- "If the meaning of the term, phrase or language used in the claim still cannot be ascertained based on [the specification, drawings, other claims and the patent file history], interpretation of a claim can be made with reference to reference books, text books and other public literature...." *Guidelines*, Art. 3.

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Ambiguous Terms, "Technical Persons"

- "If the meaning of the term, phrase or language used in the claim still cannot be ascertained based on [the specification, drawings, other claims and the patent file history], interpretation of a claim can be made with reference to ...**the meaning normally comprehended by technical persons with ordinary skill in the same art**." *Guidelines*, Art. 3.

Guidelines, Art. 3 (complete text)

- "When determining the scope of a patent claim, a People's Court may refer to the relevant disclosure in the specification, drawings, other claims and the patent file history; where the specification contains a specific definition of any term, phrase or language used in the said claim, such specifically defined term, phrase or language shall govern. If the meaning of the term, phrase or language used in the claim still cannot be ascertained based on the above matters, interpretation of a claim can be made with reference to reference books, text books and other public literature, as well as the meaning normally comprehended by technical persons with ordinary skill in the same art." *Guidelines*, Art. 3.

Doctrine of Equivalents

- "Where a [patentee] asserts that the scope of patent protection shall cover the scope of equivalent technical features as defined by claims, the People's Court shall determine **the scope of protection based on the equivalent technical features**." *Guidelines*, Art. 4, first sentence.

Doctrine of Equivalents, the Test

- "The so-called 'equivalent technical features' ... refers to those in comparison with the technical features actually disclosed in the claims, which may achieve the **same effects and perform the same functions in the same manner**, and which, **at the time of patent infringement**, can be conceived by technical persons with ordinary skill in the same art without any innovative activity." *Guidelines*, Art. 4, second sentence.

Disclosed (Unclaimed) Embodiments

Technical Solution only in Specification is Outside Scope of Protection:

- "For a technical solution that is disclosed in the specification or drawings, but is not disclosed in a claim, if a rightful party in an infringement litigation alleges that patent protection should cover the such technical solution, the People's Court shall not accept [this viewpoint]." *Guidelines*, Art. 6.

Prosecution History Estoppel

Prosecution History Estoppel Bars Equivalents Infringement *Even For a Voluntary Amendment*:

- "Where a patent applicant or a patentee, at his discretion or upon request by a patent examiner, has made a restrictive amendment or a restrictive response with respect to the claims, if the [patentee] asserts that the patent claim should cover the technical solutions already abandoned, the People's Court shall not accept [this viewpoint]." *Guidelines*, Art. 7.

All Elements Rule

- "When determining whether or not an accused technical solution falls within the scope of a patent right, **any technical feature disclosed in the claims shall not be ignored**." *Guidelines*, Art. 8, first sentence.

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Identity of Technical Features

Identity of Technical Features to Find Infringement:

- "Where the accused technical solution contains features that are the **same as or equivalent** to all those disclosed in the claims, the People's Court shall deem that the accused technical solution falls within the scope of the patent right." *Guidelines*, Art. 8, second sentence.

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Differing Technical Features

Differing Technical Features Negates Infringement

- "Where, as compared with the technical features disclosed in the claims, an accused technical solution does not cover one or more technical features as claimed, or the accused solution contains one or more feature that is not same as or equivalent to the corresponding one as claimed, the People's Court shall deem that the accused technical solution does not fall in the patent scope." *Guidelines*, Art. 8, third sentence.

Prior Art Defense

- "Where an accused infringer ... raises prior technology defense, if the accused technology in dispute is argued to contain all the technical features of the patent claims and if such accused technology is same as or equivalent to the technical features of existing technology, the People's Court shall accept the accused infringer's defense that it has submitted evidence proving that the technology used thereby belongs to existing technology." *Guidelines*, Art. 17, first sentence.

Prior Art Defense – Earlier Application

Infringement Is Negated Where There Is a Prior-Filed but Later-Published Application to the Same Invention:

- "Where an accused infringer raises a non-infringement defense based on a conflicting patent application that has been published, the People's Court may refer to the provision in [Art. 17, first sentence]." *Guidelines*, Art. 17, second sentence.

Functional (''Means'') Claims

Functional ("Means") Claims Receive Limited Scope of Protection:

If there is only a functional disclosure of technical features, the scope of protection is limited to the "**concrete implementation methods** ... in the specification..." and **their equivalent implementation methods**." *Guidelines*, Art. 5.

No Reference to ‘‘Means’’ Claiming

Guidelines Refer Only to Functional Claims, Without Reference to “Means” Claiming (as in U.S.):

- “Where the technical features of a claim are expressed based on specific function or effect, a People's Court shall determine the content of the technical features based on the concrete implementation methods as disclosed in the specification and drawings as well as their equivalent implementation methods.” *Guidelines*, Art. 5.

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Thank You!

Thank you very much for your attention!

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