

Report Q204

in the name of the Chinese Group
by Qing GE

Liability for Contributory Infringement of IPRs

Questions

1) Analysis of current legislation and case law

- 1) *Does your national law provide for liability for contributory infringement of IPRs, in respect of the offering or supply of means for working an invention, for enabling illicit commercial use of a trademark, for making a copyrighted or design protected product, etc.?*

The liability for contributory infringement of IPRs shall all follow from generally applicable legal principles with regard to joint tort. The General Principles of the Civil Law of China, in Article 130, provides that: if two or more persons jointly infringe upon another person's rights and cause him damage, they shall bear joint liability.

The Patent Law of China, protecting rights established on inventions, utility models and designs, does not provide for liability for contributory infringement in respect of the offering or supply of means for working an invention, a utility model, or a design. However, in several previous cases, the court, by applying legal principles concerning joint tort, ever entered judgements holding that the defendants who had offered or supplied of means for working an invention were liable for joint tort. Since China is a statute-based civil law country rather than a case-based common law country, trials of posterior cases shall not be legally bound by the judgement in said previous cases.

In the Trademark Law of China, the concepts of "contributory infringement" or "liability of contributory infringement" are not introduced. However, it provides, in Article 52, that "counterfeiting, or making, without authorization, representations of a registered trademark of another person, or selling such representations of a registered trademark as were counterfeited or made without authorization" shall be an infringement of the exclusive right to use a registered trademark.

In the Copyright Law of China, the concepts of "contributory infringement" or "liability of contributory infringement" are not introduced. But, in Article 47 of the Copyright Law, it provides that the act of intentionally circumventing or sabotaging the technological measures to protect the copyright, without authorization, shall be an infringement of copyright. Regulation on the Protection of the Right to Network Dissemination of Information of China (a branch of the law system in respect of copyright), in Rule 23, provides that: an internet service provider, who provides searching or link services, shall be liable for joint tort in situations where it is known by the provider or obvious to the provider that the linked content infringes copyrights of others; but if he disconnected the link after being notified by the owner of copyrights, he shall not be liable to compensate for the damage of the owner.

- 2) *If so, is it a condition for such liability that the means supplied are actually used by another (the person supplied) for committing acts that amount to direct infringement of the IPR in*

the same country (or in another country where there is a corresponding IPR)? Are there any additional conditions that apply in such cases?

In respect of patent right and copyright, no rules with regard to this question are available in laws. One theoretical point of view (which was also adopted by the court in several previous cases) is that , conditions for such liability shall include:

- i) the means supplied are actually used by another (the person supplied) for committing acts that amount to direct infringement of the patent right or the copyright in the same country;
- ii) the means supplied are parts especially suitable to be put into an infringing use;
- iii) at the time of supply of the means, the suitability and intended use are known to the supplier or were obvious under the circumstances.

According to Article 52 of the Trademark Law, actual commercial use of those counterfeited representations of a registered trademark is not a condition for such liability, since "counterfeiting, or making, without authorization, representations of a registered trademark of another person, or selling such representations of a registered trademark as were counterfeited or made without authorization" is a statutory infringement act as indicated by the Trademark Law.

- 3) *If it is not a condition for liability for contributory infringement that the means supplied are actually used by another (the person supplied) for committing acts that amount to direct infringement in the same country (or in another country where there is a corresponding IPR), is it then, on the other hand, a condition for such liability, for example*

- *that the means offered and/or supplied were suitable to be put into an infringing use;*
- *that the means relate to an essential, valuable or central element in the invention or product or service that constitutes direct infringement;*
- *that the means offered and/or supplied were actually intended for such use on the part of the person supplied;*
- *that the means offered and/or supplied were intended to be put to that use in the country in which they were offered or supplied;*
- *that, at the time of offering and/or supply of the means, the suitability and intended use were known to the supplier or were obvious under the circumstances; or*
- *that, to the extent the means are staple commercial products, the supplier induces the person supplied to infringe directly?*

Are there other conditions? Please respond separately for patents, trademarks, designs, copyright etc., if the rules differ from each area of IPR to the other.

Please refer the answer to Question 2).

- 4) *Are the rules concerning contributory infringement set out in the laws protecting IPR?*

No specific rules concerning contributory infringement as defined in the Working Guidelines are set out in the laws protecting IPR in China.

- 5) *If such protection is not set out in the laws protecting IPR, does it follow from generally applicable principles of e.g. tort law?*

Such protection against contributory infringement as defined in these Working Guidelines follows from generally applicable principles concerning joint tort as set out in the civil law of China.

- 6) *What are the legal consequences of holding an act to be a contributory infringement of an IPR, in particular:*
- *can the IPR owner obtain injunctive relief to the same extent as in case of direct infringement?*
 - *can the IPR owner obtain damages and other compensation to the same extent as in case of direct infringement, or only relative to the contributory infringer's contribution?*

In case that an act is held to be a joint tort of IPR, the legal consequences thereof shall be the corresponding civil legal liabilities in accordance with principles concerning joint tort.

In respect of trademark right, the legal consequences of acts of "counterfeiting, or making, without authorization, representations of a registered trademark of another person, or selling such representations of a registered trademark as were counterfeited or made without authorization" is identical with that of other statutory infringement acts as stipulated by the Trademark Law, that is, both injunctive relief and damage compensation are available.

II) Proposals for substantive harmonisation

- 7) *Should measures generally be available against acts that qualify as contributory infringement of IPRs, as defined in these Working Guidelines?*

In consideration of varieties of actual situations in each country or region and distinctions between legal systems of each country or region, we think it seems inappropriate to adopt internationally uniform rules concerning contributory infringement of IPR, and we would suggest still leaving this issue to each country or region to dispose at present stage. In effort to pursue substantive harmonisation in the future, comprehensive and intensive communication could be made at AIPPI level in respect of specific case, practice of trial, legislation and solution.

- 8) *If so, what should be the conditions for holding an act to be a contributory infringement of an IPR?*

Please refer the answer to Question 7).

- 9) *Should the conditions be different for different kinds of IPRs? Why?*

Please refer the answer to Question 7).

- 10) *What should be the legal consequences of holding an act to amount to contributory infringement of an IPR, in particular?*

- *Should the IPR owner be able to obtain injunctive relief to the same extent as in case of direct infringement?*
- *Should the IPR owner be able to obtain damages and other compensation to the same extent as in case of direct infringement, or only relative to the contributory infringer's contribution?*

Please refer the answer to Question 7).

- 11) *Should the legal consequences be different for different kinds of IPR? Why?*

Please refer the answer to Question 7).

- 12) *Does your Group have any other views or proposals for harmonisation in this area?*

No other proposals.

Summary

In China, no specific rules concerning contributory infringement as defined in the Working Guidelines are set out in the laws protecting IPR. The liability for contributory infringement of IPRs shall all follow from generally applicable legal principles with regard to joint tort. In case that an act is held to be a joint tort of IPR, the legal consequences thereof shall be the corresponding civil legal liabilities in accordance with principles concerning joint tort. As for the substantive harmonisation, we would suggest still leaving the issue of contributory infringement to each county or region to dispose at present stage in view of the various actual situations in each country or region.