



Burden of Proof in Patent Infringement Litigation Practices

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A basic principle of judicial judgment in China is “grounded on facts and disciplined by law.” The facts, of course, are required to be proved by evidence. Therefore, there is a saying that “evidence is everything”. However, China does not have a discovery system as in the United States. In China, based on the principle of burden of proof borne by claimant, the plaintiff usually bears the heavy burden of proof.

In an intellectual property right infringement litigation, generally, the plaintiff is required to submit three sets of evidence, one set to prove the ownership, status, and scope of protection of the claimed rights, another set to prove the existence of the alleged act of infringement, and yet one more set of facts proving the alleged liability of the opposing party, including the basis of calculation of the damages.

In terms of the evidence in patent infringement litigations, the first set of evidence is relatively apparent and easy to collect. The evidence can be the patent certificate, the patent gazette, a copy of patent registry, or documents proving annual fee payment. If the infringed rights involve a utility model or a design patent for which an assessment report can be requested, the plaintiff may consider filing the assessment report as an additional piece of evidence, in order to reduce the risk of the litigation being suspended due to an invalidation request filed against the involved utility model or design patent, and at the same time to prove the status of prior art.

The second set of evidence may vary in the difficulty of collection based on different technologies of the involved patent. In particular, for a process patent or a patent relating to heavy equipment or B2B products, since objectively there is no legal way to obtain the actual production process of the alleged infringer or the allegedly infringing product, the difficulty in proving the infringement becomes the most significant challenge for enforcing a patent right. The foregoing two sets of evidence can be deemed as the determining factors for the success of a case.



As for the third set of evidence, since China relies on the discretion of the judge for determining legal damages and the third set of evidence merely influences the amount of damages rather than helps with the determination of infringement, patent owners tend to neglect this evidence. This actually is a significant factor causing low damages and affecting the value of litigation.

In view of the above, it is intended herein to introduce the means of proof of the second and third sets of evidence in patent infringement litigation, and to introduce means to overcome the difficulties in providing evidence in judicial practices, using a few examples.

I. Proof of Infringement

The Patent Law of China stipulates in Article 11 that

“after the grant of the patent right for an invention or utility model, except where otherwise provided for in this Law, no entity or individual may, without the authorization of the patentee, exploit the patent, that is, make, use, offer to sell, sell or import the patented product, or use the patented process, and use, offer to sell, sell or import the product directly obtained by the patented process, for production or business purpose. After the grant of the patent right for a design, no entity or individual may, without the authorization of the patentee, exploit the patent, that is, make, sell or import the product incorporating its or his patented design, for production or business purposes.”

Therefore, proving the act of infringement means providing evidence proving that the alleged infringer has conducted the acts prescribed above. The means and methods of proof include those described below.

1. Notarial purchase of allegedly infringing product

Notarial purchase means that the process of purchasing the allegedly infringing product is performed in the witness of a notary. Falsification of evidence is frequently caught in practice. Therefore, in the judicial practice, the examination of critical evidence for the determination of facts is relatively strict. If the purchase process is not notarized, and the opposing party denies the production and the sales of the product, the evidence obtained by the purchase of the product is very likely to be declined. Therefore, notarial purchase of allegedly infringing product is the most common and the most effective means of proof of infringement.



In practice, the notarial purchase of goods that are publicly sold on the market is relatively easy. In contrast, the notarial purchase of B2B products can be very hard, especially when a product is a B2B product in a special area in which the sales target is relatively fixed. However, though it is difficult, it is not impossible. In such a case, comprehensive preparations should be made. Such preparations should include investigating the business flow of the target company and the target product, and then attempting to contact the target company in order to request the notarial purchase of the product. In many cases we represented, using this approach, our lawyers managed to purchase products that had seemed impossible to obtain by notarial purchase. For example, we once represented a client in a patent infringement dispute whose allegedly infringing product was a wrapping paper that was directly sold to manufacturers of electrical appliance parts and used by the manufacturers during packaging and transportation of the parts. Since the wrapping paper was disposed of after the parts arrived at factories of the electrical appliances, it could not be obtained from the products sold on market. Moreover, the manufacturers of the parts only supplied goods to the factories of the electrical appliances. In view of the entire business flow, it was difficult to purchase the wrapping paper or a part having the wrapping paper. However, after visits and investigation, we were thrilled to find that the manufacturer of the wrapping paper had a distributor who sold a small number of samples of the wrapping paper. Finally, we successfully purchased the target product from the distributor.

The notarial purchase of the allegedly infringing product is outstandingly effective for proving the existence of the infringing act. The purchase process can be direct evidence of the sales activity of the seller. Moreover, information such as name, address, and trade mark of manufacturer on the product or on the label or encasement of the product, if any, can prove the production and the sales activity of the manufacturer. In practice, the manufacturer may deny that it has manufactured the allegedly infringing product and claim that the allegedly infringing product is a counterfeit. Such denial will not be acknowledged without sufficient supporting evidence. Therefore, notarial purchase of the allegedly infringing product having identification of the manufacturer is prima facie proof of the production/sales activity of the alleged infringer. The purchased actual product can be used for comparison to determine infringement. Thus, the major work of proving the infringement is completed.

In infringement cases involving a B2B product or a machine component, one difficulty usually encountered is that the product purchased does not have a package or a label, nor does the product



explicitly identify its manufacturer. In this case, supplementary proof is needed. For example, in a patent infringement case we represented, the allegedly infringing product was a machine component. An end product using the alleged infringing part was obtained through notarial purchase. However, the part, which was quite small, did not display detailed information about its manufacturer except for a four-letter abbreviation of the name of the manufacturer – which, we discovered, was not a registered trademark. We collected information about the target manufacturer, including the business registration document and the commercial advertising, etc., to prove that the letters used in the abbreviation corresponded to the initials of the English name of the manufacturer. In addition, in the witness of a notary, we took photos of the factory of the target manufacturer to prove that the abbreviation was used on the buildings in the factory. Based on the aforementioned evidence, the court acknowledged our claims and determined that the part of the end product we obtained was manufactured by the target manufacturer.

Nonetheless, if the product purchased does not have any identification, it will be hard to find a clue to start gathering evidence about the manufacturer. The patentee may even not know who the actual manufacturer is. In this case, evidence including the business scope, the production capability, and the advertised business mode of the seller can be supplemented. If, on one hand, production is included in the business scope of the seller, and the seller advertises itself as “capable of production” and operates as a manufacturer, and, on the other hand, the seller cannot explain the source of the product and cannot provide evidence proving the origin of the product, it can be assumed that the manufacturer of the product is the seller. We encountered the above problem in several cases in which we represented MTG Corporation to file design infringement litigations against companies producing counterfeit Refa beauty bars. In these cases, the actual infringing product we purchased did not have any identification of the manufacturer. We alleged that the seller was the manufacturer using the business registration information, the advertisement, and the advertising pamphlets of the seller as evidence. Finally, the court supported our claims and determined that the defendant was liable to cease the infringing acts of production, sales, and offers to sell, and to compensate the damages amounting hundreds of thousands of yuan.

However, if the business scope of the seller does not include production, and the seller obviously runs business as a distributor, it will be difficult to allege that the seller has production behavior. In such



cases, we still suggest suing the seller, so that the seller may be urged to expose the source of the product and a clue of the producer to avoid bearing the liability for damages. Based on the information provided by the seller, we can track down the producer.

Note

In practice, the purchasing process includes multiple steps, for example, contracting, ordering, making payments, and receiving the goods. When the goods to be purchased are daily necessities, the above steps are performed almost at the same time, which is relatively simple to notarize. In contrast, the purchase of B2B product seldom happens all at once. For that, consistency is to be ensured among each link of the purchase process so as to form a complete chain of evidence. As mentioned above, it would be best to have a specialized investigator to perform investigations as preparation in an early stage of the notarial purchase. In addition, it is always necessary to have a lawyer present when the notarial purchase is performed. In some of the cases we handled, the involved party entrusted an investigation company with the purchase and provided us with the certificate of notarial purchase. However, we found that many of the links prescribed by the notarial certificate were absent. Thus, the validity of the evidence needed to be perfected. Sometimes, the evidence cannot even be connected to the target company at all, causing unavailability of the evidence. Therefore, it is best to have the lawyer confirm the entire plan of the notarial purchase and the contents of the notarial certificate in advance.

2. Notarization of Webpage

As the Internet becomes universal, it is common for products to be advertised and even sold online. Therefore, a common and effective means to gather evidence of infringement is by notarizing online advertising information and sales pages, as well as performing the notarial purchase online.

Notarization of a webpage means preserving the information displayed on the Internet by printing or taking screenshots using the computer and network of the notary office under the supervision of a notary. Due to the rapid update and change of online information, it is of great importance to preserve useful webpage information in time. In practice, in addition to preserving online information by notarization, timestamps are increasingly used for preserving online information. Timestamps are more time-saving and energy-conserving than notarization when preserving individual webpages. However, when it comes to operations to a webpage, for example, searching, opening a web link, and inputting



information, the validity of notarization is stronger than that of a timestamp. Therefore, it is recommended to preserve important webpage information that relates to a series of operations by notarization, and to preserve individual webpage information of secondary importance by timestamps to save cost.

Notarizing online publicizing information proves the offer to sell the allegedly infringing product, while the webpage of online sales proves the behavior of selling the allegedly infringing product. Moreover, the sales performance shown on the sales webpage is also conducive to prove the scale and the scope of the infringement. For example, in one case, which has been selected as one of the *Top 10 Typical Cases of Intellectual Property Protection of Chinese Courts in 2016*, we represented Panasonic facial vaporizer. In that case, we notarized the online sales webpages of the allegedly infringing product on each major e-commercial platform. We deduced the defendant's infringing profits based on the sales amounts displayed on the webpages, and the court fully supported our claimed damage of 3.2 million yuan.

The notarization of webpages weighs even more heavily in the cases in which notarial purchase cannot be performed. For example, in cases involving infringement of process patents or of product patents for large-scale equipment, a word or two mentioning the production process, the model, and information displayed by photographs can serve as prima facie evidence of the existence of the infringing behavior. Such prima facie evidence will play an important role in applying for preservation of evidence before the court.

Even if the notarial purchase is completed, in the aforementioned case in which the manufacturer is not clear, notarized online information can serve as supplemental evidence for proving production behavior. For example, in an indirect patent infringement case we represented, the indirect infringer producing and selling a special part exclusively for the infringing product did not mark information of the manufacturer on the parts except for a model number of the product. We notarized the indirect infringer's homepage, which displayed advertising information of the part with relevant appearance and model number. The lawyer of the opposing party attempted to deny the facts and alleged that our evidence was not sufficient. However, based on the rule of probability in the testimony of civil litigation, we stated that we had provided prima facie evidence of high probability; therefore, despite the denial, if the opposing part could not provide evidence to the contrary, our evidence should be admitted. In the



end, the court approved our claims.

Note

Notarization of webpages seems simple. But attention should be paid to several aspects. The contents notarized should be complete and without formal defects. For example, in the notarization of webpages, the following issues should be confirmed: whether or not the information of the owner of the webpage is preserved along with the webpage itself, whether the sales record is preserved along with the sales webpage of the product, whether the specific URL is retained for further inquiry when a search result webpage is preserved, and so on. Therefore, even for webpage notarization, it is still recommended that a lawyer familiar with the case be entrusted to determine the specific content and method of the notarization.

3. Notarization of Exhibition

Notarization of exhibition means taking photos and shooting videos of an allegedly infringing product displayed at an exhibition by an alleged infringer and obtaining the publicizing pamphlet or sample of the infringing product, in the witness of a notary.

Exhibition of the allegedly infringing product constitutes proof of the production and offer of sale of the infringing product. Even without the actual product, the pamphlets provided to the public or the exhibited pictures of the product alone can prove at least the offer to sell. When the allegedly infringing product is a high-priced or large-sized product that costs too much for a notarial purchase, notarization of exhibition can be an alternative. However, as compared to notarial purchase, notarization of exhibition has two defects: first of all, it cannot prove the occurrence of actual sales behavior; secondly, the actual infringing product is not obtained, which may cause obstacles for infringement comparison. With only the photographs or pictures, it is difficult to determine whether an allegedly infringing product falls within the protection scope of a patent, especially in patent infringement cases involving an invention or utility model patent. Therefore, if possible, notarial purchase is recommended. Notarization of exhibition can be a supplement. However, if the notarial purchase is very difficult, photographing the general structure of an allegedly infringing product on an exhibition can provide prima facie evidence of the infringement. In such a case, it should be noted that the technical features of the allegedly infringing product which are recited in the patent claims should be photographed or



recorded as far as possible. For example, in a patent infringement case we represented involving a utility model of a large-scale processing machine, the target product was priced nearly one million yuan and was sold generally to fixed target consumers, which made the notarial purchase difficult and costly. Therefore we chose to photograph the machine at an exhibition the target company participated in, witnessed by a notary. In practice, exhibitors tend to be wary of people taking photographs, and often prohibit photographing, especially photographing the internal structure of the product on exhibition. Thus it is very difficult to preserve all the technical features of the allegedly infringing product solely by photographing. In the aforementioned case, we were stopped several times when taking photographs of the machine, especially when taking photographs of the internal structure of the machine in operation. In the end, the photographing and videoing of the major technical features essential to the case were completed by several persons across a few attempts.

A further significance of the notarization of exhibition is its contribution to the selection of jurisdiction. The behavior of exhibition constitutes a behavior of infringement by offer to sell. Therefore, the court in the location of the exhibition, as the court of the place of infringement, has jurisdiction, which can provide a desired option of jurisdiction when the product cannot be purchased except in the location of the manufacturer or when the product cannot be easily purchased in a desired jurisdiction. For example, in several patent infringement cases we represented, since the notarization of exhibition was conducted on an exhibition held in Shanghai, the case was able to be filed with the Shanghai Intellectual Property Court.

Note

Usually, an exhibition only lasts a few days. The notarization of exhibition requires seizing the opportunity. Foreign rights holders are usually required by the local notary office to provide identification documents when applying for notarization. Therefore, if it is judged that the target company is very likely to exhibit the target product at an exhibition, it is recommended to contact the notary office in advance to confirm the formalities and required documents for applying for the notarization, to make an appointment with the notary, and to prepare for the notarization. In this way, as soon the target product is known to be on display, one can immediately contact the appointed notary and conduct a notarization in time.



4. Applying to the patent administrations for investigation and evidence collection

The foregoing three methods are common ways for a rights holder to collect evidence unassisted. However, in some cases, the rights holder still cannot collect sufficient evidence after striving with all its might. In such cases, the rights holder can consider asking for help from the administrative or judicial offices.

In China, for patent infringement disputes, the rights holder may choose to apply for administrative proceedings with the patent administrations (usually a local intellectual property office or the science and technology bureau) or to file a lawsuit before the court. Many foreign rights holders do not know that administrative means are an alternative and instead go to court in most cases. In recent years, the administrative approach has received more attention because of the rapid handling of disputes. The number of disputes resolved through the administrative approach is climbing year by year.

According to the Measures of Patent Executive Enforcement, in the process of handling a patent infringement dispute, if the parties are objectively unable to collect part of the evidence by themselves, they may request in writing that a patent administration investigate and collect evidence. The patent administration decides whether to investigate and collect relevant evidence according to the situation. The patent administration can also investigate and collect relevant evidence *ex officio* as needed.

In practice, the patent administrative entities in some regions (for example, in Guangdong Province) usually agree to the application when receiving a written application for investigation and evidence collection. The methods for investigation and evidence collection by the administration include consulting and copying documents related to the case, such as account books, contracts, etc.; interviewing the involved parties and witnesses; and conducting on-site inspections by means of measuring, photographing, and videoing, etc. Where the alleged infringer is suspected of infringing the patent right of a manufacturing method, the administration may request the respondent to conduct a live demonstration. In addition, the patent administration can collect evidence by sampling, taking a part of the allegedly infringing product as a sample. Where a process patent is involved, a part of the products alleged to be directly obtained from the claimed process can be taken as a sample.

As shown above, in cases where the rights holder cannot collect sufficient evidence by itself – for example, in a case involving a process patent or in a case in which the actual product of the allegedly



infringing product cannot be obtained – the rights holder may consider applying for administrative proceedings with the patent administration and applying for investigation and evidence collection.

However, unlike the judicial approach, the administrative approach does not grant damages, and thus has less impact on infringement. Moreover, administrative entities are less competent in dealing with complex patent infringement disputes than judges are. Therefore, for a complex patent infringement dispute or a case seeking publicity and/or compensation, the rights holder tends to resolve the dispute through a judicial approach. In practice, some rights holders apply for administrative executive enforcement only to utilize the aforementioned investigation and evidence collection procedure. After the evidence is collected, they withdraw the application and file a lawsuit with the court.

It should be noted that the evidence collected by the administrative entities in on-site inspections will not be directly handed over to the right holder but will be put on record instead. Such evidence needs to be cross-examined on site in an oral hearing. Moreover, after the application for administrative executive enforcement is withdrawn, the relevant evidence will not be provided to the rights holder but will be kept in the archives of the administrative authority. Therefore, if the rights holder hopes to use the evidence obtained through administrative investigations in litigation, there is a need to apply for evidence transfer from the administration by the court.

Note

Prima facie evidence of infringement should be submitted along with the application for administrative executive enforcement. Therefore, it is important to collect evidence as much as possible using the afore-described three methods. In addition, not all patent administrations will approve the application for investigation and evidence collection, nor will they be able to effectively preserve the expected evidence in all the cases where investigation and evidence collection is approved. In the multiple cases of administrative executive enforcement we represented involving patent infringement disputes, although most cases succeeded to obtaining on-site investigation and evidence collection, there were some cases where the local intellectual property offices did not approve our application. Moreover, in the cases where on-site investigation was performed, the allegedly infringing product was not found in the place of business of the alleged infringer. The reason could be that the production cycle caused no on-site stock of products or there may be other production bases. Therefore, investigation and evidence



collection of administrative executive enforcement is not a universal solution. It should be selected on a case by case basis.

5. Applying for evidence preservation with the court

Evidence preservation by the court is similar to the investigation and evidence collection by the patent administration. When a party is unable to obtain part of the evidence out of objective reasons, he may apply to the court for evidence preservation. The means of collecting evidence is similar to the investigation and evidence collection by the patent administration. In judicial practice, although the proportion of evidence preservation approved is not high, in cases such as a process patent infringement case or a misappropriation case where it is difficult for the plaintiff to obtain sufficient evidence, if the plaintiff can provide certain prima facie evidence, the possibility is high that the court will approve the application for evidence preservation. Especially in recent years, in order to solve the problem of the difficulty in proof, local courts, especially the intellectual property courts of Beijing, Shanghai and Guangzhou, have extended a more positive attitude towards evidence preservation. Shanghai Intellectual Property Court, for example, has decided to support 638 cases of evidence preservation for litigation in the past three years since its establishment.

The timing for applying for evidence preservation includes pre-court period and a during-court period. In view of the effect of the evidence preservation, it is obvious that pre-litigation evidence preservation has better effects, because the opponent is attacked unprepared and the possibility of obtaining evidence is much higher. However, if the pre-court period is missed, please do not miss the during-court period for cases where it is difficult to collect sufficient evidence all by the plaintiff.

When applying for evidence preservation, the prima facie evidence of the infringement should be submitted to the court, and the necessity of the evidence preservation should be stated. The prima facie evidence can be collected according the methods described previously. As for the degree of prima facie evidence required, there is no clear qualitative or quantitative standard. The more or more direct the prima facie evidence is, the more it proves the possibility of infringement, and thus, the more likely the court will approve the preservation of evidence. As for the necessity of evidence preservation, a powerful reason is that the evidence of infringement is controlled by the alleged infringer, which makes it impossible for the plaintiff to obtain the evidence legally. In a case of invention patent infringement



dispute involving the production molds, we convinced the court to investigate the factory of the alleged infringer, and photograph and measure the production molds in the factory, with the information of offer to sell of the related product of the alleged infringer as the prima facie evidence, supplemented by stating that the production molds involved in this case are indispensable for producing the products.

In addition, when applying for evidence preservation, the plaintiff should submit a written application and clarify the evidence desired to be preserved. The court will preserve the evidence within the applied scope of the plaintiff after the approval of the application. In practice, when applying for evidence preservation, the plaintiff usually applies for preserving both the evidence of infringement and the evidence of the profit gained from the infringement. When the court decides on the preservation, it may partially approve the application according to the actual situation. During actual evidence preservation, the court usually attaches more importance to the preservation of infringement evidence based on the needs of hearing the case. Moreover, the court often declines an application for the preservation of mere evidence of profit gained from the infringement. As shown above, the court is more focused on investigating and obtaining evidence that is essential for determining the infringement. Evidence preservation by the court can be deemed as a fallback plan for the preservation of evidence, but is also an effective approach. If it is sure that the alleged infringer has committed the infringement, and the only difficulty is to collect evidence, it is by all means feasible to apply to the court for evidence preservation based on prima facie evidence (the reason why the infringer is believed to have committed the infringement).

Note

There are many similarities between the evidence preservation of the court and the investigation and evidence collection of the administrative approach. In actual cases, how do we choose between the two? We suggest making a choice based on the desired remedies of the right holder, that is, the administrative approach or judicial approach. Either of them has advantages and disadvantages. The choice can be made according to the specific circumstances of the case and the objective of the right holder. In addition, as mentioned above, whether or not the administration will conduct the investigation and evidence collection is related to the consistent practice of the local intellectual property office. In some areas, the local intellectual property office will approve all investigation and evidence collection applications while in other areas, it is quite the opposite. Therefore, knowing in advance the consistent



practice of the local intellectual property office for the area of the target company can help predict the possibility of an application for investigation and evidence collection being approved. The administrative approach could be considered if the possibility is high.

II. Proof of Infringement Liability

There are multiple ways to bear the civil liability for infringement. For patent infringements, it is mainly ceasing infringement or compensating for damages. The civil liability to cease the infringement is usually supported, without the need of the right holder to prove that the infringement is still continuing, unless the alleged infringer proves that the infringement has ceased, in which case if the right holder still requests the infringement to be ceased, it is necessary for the right holder to provide disproof proving that the infringement is not ceased. In terms of specific manifestations of ceasing infringement, some specific requests need evidence. For example, when the request is to destroy the inventory or the special molds for production, the court often requires evidence to prove the existence of inventory or special molds, or the reason why it is believed that there exist the inventory or special molds for production. In judicial practice, the court also often presumes the existence of an inventory or special molds based on common sense. As for the judicial practice of the liability for stopping the infringement, those who are interested can make a reference to the annual report of Linda Liu & Partners in 2013.

In the judicial practice, the evidence on the tort liability is mainly focused on the evidence of the basis for the calculation of damages. In accordance with the law, the calculation of damages shall be calculated based on the actual loss suffered by the right holder due to the infringement. If the actual loss is difficult to determine, the calculation should be performed based on the profit of the infringer gained from the infringement. Where both the loss of the right holder and the profit of the infringer gained from the infringement are difficult to determine, the license fee should be taken as a reference. Where all of the above are difficult to determine, the statutory compensation shall be applicable. However, in practice, since the right holder bears the burden of proof for the claimed damages, the right holder can always choose a desired calculation method according to the evidence possible to provide. The method of providing evidence in order to acquire relatively high damages was elaborated in the 2015 Annual Report of Linda Liu & Partners with examples, based on the actual experience of our firm. So I will not repeat the details here. In the following, I will introduce some recent effective measures of the courts



related to proving damages. The right holder can consider utilizing these measures according to specific circumstances of the cases, in addition to collecting evidences by itself.

1. Investigation Order

The system of investigation order is not new but has been rarely used. In recent years, in order to reduce the difficulty in providing proof, the court is more active than before in issuing investigation orders.

The investigation order refers to the legal documents issued by the people's court to the parties upon application and approval by the court so that the litigation lawyers of the parties can collect the required evidence from relevant entities and individuals, when the parties in a civil litigation are not able to obtain the required evidence due to objective reasons.

As a condition for applying for an investigation order, the applicant must be a party or a litigation lawyer entrusted by a party of a case accepted by a court. The applicant shall submit an application to the court stating the evidence to be collected and the facts to be proved, as well as the reason why the evidence cannot be obtained. The person holding the order shall be the litigation representative of an involved party of the case. The litigation representative is limited to lawyers who have obtained a valid certificate of law practice.

In judicial practice, investigation orders are seldom used not only because of the strict review by the court for issuance, but also because of the lack of active cooperation from some entities or individuals even with the investigation order present. For example, in an invention patent infringement case we represented, we hoped to acquire from the local tax bureau an invoice relating to the sales of the allegedly infringing product by the defendant, in order to ascertain the sales amount of the allegedly infringing product and further the profits gained from the infringement. However, after repeated communication, the tax bureau still insisted that it could not help a lawyer with an investigation order; instead, the court must do it *ex officio*. Therefore, in this case, we did not apply with the court for an investigation order, but requested for *ex officio* evidence collection by the court.

There are also cases where the investigation order worked. For example, in a case of design patent dispute filed by the Holland company Philips, the Shanghai Intellectual Property Court issued an investigation order to the plaintiff's attorney in accordance with the law, so that the plaintiff can acquire the sales record of the defendant at Taobao.com. With this, the court found out the relevant facts of the



scale for sales and profit rate of the allegedly infringing product and determined that the profit of the infringer gained from the infringement was greater than what was claimed by the plaintiff, and eventually supported the right holder's claim in full amount.

E-commerce platforms such as Taobao.com have all the sales data of the products sold on the platform. These data are of great significance for determining the infringement scale, scope, quantity, and profit gained from the infringement. However, the e-commerce platforms will not easily provide the information for the right holder for information protection reasons. In the current judicial practice, the information can only be obtained by the court or the administration, or by the attorney of the right holder with an investigation order issued by the court.

Therefore, if it is believed that the allegedly infringing product is sold in large quantities on e-commerce platforms such as Taobao.com, the right holder can consider applying to the court for an investigation order.

2. Order for disclosing evidence

In view of the difficulty in the burden of proof and low damages, a system of order for disclosing evidence related to profits obtained from infringement in a patent infringement litigation is officially introduced in the *Interpretation (II) of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Patent Infringement Dispute Cases* (hereinafter referred to as the Judicial Interpretation II) enacted on April 1, 2016. This system stemmed from the system of order for disclosing evidence specified in the *Interpretation of the Supreme People's Court on Application of the Civil Procedure Law of the People's Republic of China* and the deducted rule for determining hindering proof as specified in the *Several Provisions of the Supreme People's Court on the Evidence in Civil Procedures* (hereinafter referred to as the Evidence Rules). However, before the implementation of the Judicial Interpretation II, the utilization of Article 75 of the Evidence Rules has been extremely difficult. In the cases we represented, after providing prima facie evidence and assuming the profits of the defendant made from the infringement, we have tried to demand that the defendant provide the documents proving the gains from the infringement, otherwise the claim of the plaintiff be acknowledged, according to Article 75 of the Evidence Rules. However, the court did not respond to our demand and determined the amount of compensation based on general discretion.



The provisions of Judicial Interpretation II are obviously more targeted, mainly for the evidence of the gains from infringement in patent infringement litigations. In the current judicial practice, the court generally shows a more positive attitude towards the utilization of the evidence disclosure system for gains from infringement. Where the right holder can initially prove the general situation of the profit gained from the infringement and has made the request, the court usually grants the request.

In recent years, Wei Qixue Law Firm has successfully applied the system in a number of patent infringement lawsuits. After providing preliminary evidence of the sales amount and the profit rate of online sales of the alleged infringer through e-commerce, we requested the court to order the infringer to submit evidence of gains from the infringement. Since the infringer failed to submit the required evidence, the court fully supported our claim for damage compensation of over 1 million yuan. In a design patent infringement case involving a fitness equipment design, for example, we provided the evidence of the sales amount and the price of the allegedly infringing products displayed in the chain stores of Taobao.com, Tmall.com and JD.com, and estimated that the gains of the alleged infringer from the infringement was huge. Then we requested the court to order the defendant to disclose the related materials including the account books. The Guangdong Higher People's Court judged in writing that the defendant should provide all the material including the entire record of all online transactions within a time limit. Although the defendant submitted the material within the time limit, we managed to prove that the material submitted contained merely the existing records, not all history records. Moreover, the sales records on the e-commerce platform of Taobao.com and Tmail.com cannot be deleted. Therefore, the court found that the defendant refused to submit the relevant sales records without a just cause, and fully supported our claim of damages of 2.2 million yuan.

Those interested in the utilization of the system of disclosing evidence on gains from infringement can refer to the detailed explanation in our IPNEWS of September 2018.

Postscript

The foregoing introduces the main methods and means of proof of infringement in patent infringement litigations. However, specific cases vary in their circumstances, as does the seemingly same means for providing evidence. Further discussion is welcomed from those who are interested.