

## Understanding design patent practice through the Jaguar Land Rover case

The suit between Jaguar Land Rover and Chinese automaker Jiangling Motor Holding has been the subject of much interest since late 2014. The bitter battle resulted in the invalidation of two Chinese design patents, one owned by Jiangling and the other by Jaguar. The case provides us with a vivid illustration of design patent practice in China, which we will explain in this article.

### Invalidation of the design patent of the LandWind X7

Jiangling obtained a design patent for the LandWind X7 with the filing date of November 6, 2013 and the grant date of April 23, 2014.

Pictures of the LandWind X7 design (not proportionated)



Front View

Rear View



Left View

Right View



Top View

Jaguar and Mr. Gerard Gabriel McGovern (Design Director for Land Rover) beseeched the Patent Reexamination Board (PRB) to declare the LandWind X7 design invalid respectively on July 25, 2014 on the basis of lacking novelty and distinctiveness pursuant to the Patent Law and on August 3, 2015 on the basis of lacking novelty, distinctiveness and clarity.

They submitted a series of notarized documents, including the sales agreement, invoice, tax payment receipt of a Range Rover Evoque, which were all dated in September 2013, pictures of the sold car (with the number plate “京 N0EV03”), vehicle registration form, and driving permit of the sold car, to indicate that the design of Range Rover Evoque was known to the public prior to the filing date of the LandWind X7 design and thus should be considered as prior design.

Design of Range Rover Evoque with the plate No. “京 N0EV03” (not proportionated)



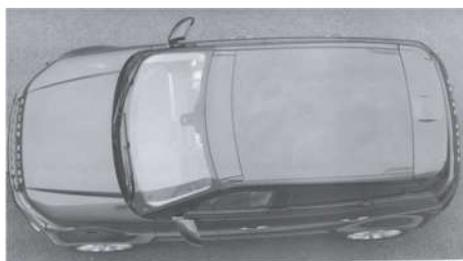
Front View

Rear View



Left View

Right View



Top View



Perspective View 1

Perspective View 2

The PRB accepted the evidence and considered the two invalidation requests in a consolidated examination, where it held that:

- (1) by taking account of the general knowledge level and cognitive ability of consumers and the similarity and differences between the prior design and the design patent at issue in terms of complexity, occurrence in prior designs, attraction, portion and size, etc., it could be seen that the similarities of the two design contributed more significantly to the overall visual effects, while the differences lay in details of certain small parts and fell in either prior designs or existing design techniques;
- (2) from an overall observation, it was the similar design points that decided the three-dimensional shape of the car body and the whole design style, for example, the floating roof, body ratio, robust-style side beltline and skirtline; and
- (3) thus, the design patent at issue and the prior design had no substantial visual difference between them, and the design patent at issue was not distinctive.

The PRB then declared the design patent of the LandWind X7 invalid on June 3, 2016.

### **Invalidation of the design patent of the Range Rover Evoque**

Jaguar obtained a design patent for its Range Rover Evoque with the filing date of November 24, 2011 and the grant date of August 29, 2012.

Pictures of the Range Rover Evoque design (not proportionated)



Design 1 – Front View

Design 1 – Rear View



Design 1 – Left View

Design 1 – Right View



Design 1 – Top View



Design 1 –Perspective View 1

Design 1 –Perspective View 2



Design 2 – Front View

Design 2 – Rear View



Design 2 – Left View

Design 2 – Right View



Design 2 – Top View



Design 2 –Perspective View 1

Design 2 –Perspective View 2



In retaliation for Jaguar's challenge over the LandWind X7, Jiangling asked the PRB to declare the Jaguar's Range Rover Evoque design invalid for lacking novelty and distinctiveness on February 16, 2015.

Jiangling filed as evidence the notarized internet webpage prints of the Range Rover Evoques in the Guangzhou International Motor Show in December 2010 (almost a year before the patent for it was filed in China). Pictures in the news reports were as follows:

Two-door Range Rover Evoque exhibited in Guangzhou International Motor Show



Four-door Range Rover Evoque exhibited in Guangzhou International Motor Show





During examination, the PRB accepted the evidence and deemed the exhibited Range Rover Evoque models as prior designs. The PRB held that:

- (1) the differences between the prior two-door design and design 1 in the design patent at issue were not noticeable under the general attention of customers, the two designs were substantially the same, thus the patented design was not novel;
- (2) the differences between the prior four-door design and design 2 lay in only whether a panoramic roof was configured and some other tiny details, thus the patented design was not distinctive.

Therefore, the PRB declared the design patent of Range Rover Evoque invalid on June 3, 2016.

**Lessons learnt**

1. Having been granted a design patent does not necessarily mean you have a stable right.

China adopts only preliminary examination for design patents, where the examination standards are relatively low and a search is not necessarily conducted.

Sometimes patents are granted for designs they shouldn't be granted for. So being granted patent rights does not necessarily mean the design patent meets all the requirements of the Patent Law. Accordingly, China resorts to combining before-hand preliminary examination and post-grant invalidation proceedings to ensure the validity of design patent rights.

Where a design patent should not have been granted and is later declared invalidated, its patent rights are considered as not having existed since filing. One cannot claim infringement in court or seek compensation based on an invalidated design patent, or prohibit others from manufacturing, selling, offer-to-selling, importing the product for which an invalidated design sought protection.

Both the LandWind X7 and the Range Rover Evoque designs demonstrated such a situation. In invalidation proceedings, the PRB will examine a design patent on substantive matters pursuant to the patent law and the evidence submitted by the parties.

Therefore, it is suggested that companies pay attention to the scope and content when preparing a design application so as to establish a stable patent from the beginning. For example, the design to be patented should have merits in overall visual effects; the title and brief specification should be formulated to help with an appropriate classification; selection of drawings and/or pictures should be made carefully to form a clear scope; and similar designs should be filed in one application.

2. Understand the design patent system to avoid loss of novelty

China has a "first to file" system. A company should file a patent application for the design it would like to protect right after the design is completed and make a disclosure after filing.

For disclosures within 6 months before filing, the Patent Law accepts certain exceptions to loss of novelty, where:

- it (the design) is exhibited for the first time at an international exhibition sponsored or recognized by the Chinese Government;
- it is published for the first time at a specified academic or technological conference which is organized or held by the competent authorities under the State Council or a national-level academic organization; or
- its contents are divulged by others without the consent of the applicant, where the 6-month period is calculated from the date that the applicant knows or should know of the disclosure.

When filing such a design patent application within in 6 months from the disclosure, the applicant should also claim for novelty grace period and submit relevant evidence.

In the second case, Jaguar exhibited the Range Rover Evoque cars in the Guangzhou International Motor Show in December 2010 and filed the patent application for the design in November 2011, after the 6-month window had closed. It results in the exterior appearances of the exhibited cars being used as prior designs in invalidating the patent.

Since China is strict in granting a novelty grace period, it is suggested that companies file patent applications prior to any disclosure. If a company has to attend an exhibition before filing, it should evidence the disclosure at the exhibition and promptly file the application with a request for novelty grace period.

### 3. Post-grant operations

After obtaining a design patent, the owner should verify the validity of the patent at his/its convenience. The verification can help with future decisions, such as, determining the role of the patent in the aggregation of the whole IP portfolio, whether and how to proceed with the use of the patented design, and whether to launch attacks or defense actions.

In addition, the patent owner should also monitor the market for infringements of the patent. If an infringement is found, he/it should act quickly. In the first case, the LandWind X7 design was granted in April 2014 and the model was exposed by the media about two months later. Jaguar initiated the patent invalidation proceedings very swiftly in July 2014.

Before making the decision to launch a product, a company should conduct a clearance or freedom-to-operate search to mitigate the risk of patent infringement. On the other hand, if someone else's patent is in the way of a company's product development, it can initiate a comprehensive investigation to check the validity of the patent, with a view to bringing a validation action.

## **Conclusion**

Design patents are a convenient tool for IP protection and enforcement because they are easy to obtain and has a substantial protection term of 10 years (in the proposed amendment to Patent Law the term is extended to 15 years). Companies should prompt proper attention at every stage of the lifetime of a design patent – from the decision to file, to prosecution, to post-grant protection, to defense and utilization – to ensure the best result for themselves.

**CONTACT**

Should you have any questions please do not hesitate to contact us.

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