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The Application of the Principle of Good Faith in Intellectual Property Activities

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Abstract
The principle of good faith is the cornerstone of the intellectual property legal framework, playing a crucial role in upholding legal justice and incentivizing innovation. This study reveals the logical connection between this principle and the protection of intellectual property rights, and proposes specific strategies for strengthening its practical application. The revision of the "Detailed Rules for the Implementation of the Patent Law" has reinforced the principle of good faith, which has a profound impact on improving the quality of intellectual property rights and promoting economic and social development. Faced with the challenges of emerging technologies, the existing legal framework needs to be further refined to meet the new demands of technological advancement. Additionally, it is proposed that public education on intellectual property awareness should be strengthened, the rights of small and medium-sized enterprises should be protected, the reasonable use of intellectual property should be promoted, and a solid legal foundation should be provided for the construction of an innovative country.

Keywords
Principle of Good Faith; Intellectual Property Protection; Legal System Improvement

1 Introduction

In the context of the globalized innovation economy, intellectual property (IP) law serves as a key mechanism for stimulating innovation, advancing science and technology, and driving economic growth, with its significance increasingly highlighted. The principle of good faith, as the bedrock of the civil legal system, occupies a central position within IP law, playing an essential role in ensuring fairness and efficiency in this domain. In December 2023, the State Council issued the latest version of the "Detailed Rules for the Implementation of the Patent Law", which further reinforced the importance of the principle of good faith within the legal framework of intellectual property, expressly stating that this principle must be adhered to during the patent application process. This legislative move not only reaffirms the fundamental principles of the Patent Law but also signifies the concretization and expansion of the application of the principle of good faith in IP practice. It has profound implications for enhancing the rigor of IP quality control in China and for driving high-quality economic and social development.

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China's intellectual property system is built upon a foundation of registration, application, and documentation. Its examination mechanism is focused on a comparative analysis of technical literature and existing technologies, rather than an assessment of the actual application value of the technological achievements. While this model of examination improves administrative efficiency, it also reveals deficiencies in verifying the authenticity and innovativeness of technological results. Presently, China has not yet established a comprehensive system for the quantitative evaluation of IP quality, which may lead some applicants to file a large volume of patent applications based on strategic considerations rather than genuine innovation. Such practices not only waste valuable administrative resources but may also introduce potential risks, thus impeding the high-quality development of intellectual property.

However, in the face of the trend towards global economic integration and trade liberalization, China's intellectual property protection system is undergoing continuous optimization and improvement, with its alignment with international standards gradually enhancing. By implementing a strong national intellectual property strategy, strengthening the rule of law, optimizing the intellectual property management system, and comprehensively enhancing intellectual property protection, the value and importance of the principle of good faith in the field of intellectual property are increasingly highlighted. The strengthening of this principle is crucial for elevating the overall quality of intellectual property in our country, and it also provides solid legal support for the optimization of the innovation environment, the improvement of the business environment, and the comprehensive advancement of national economic development and technological innovation.

2 The Legal Basis for Introducing the Principle of Good Faith in Intellectual Property Activities

Intellectual property activities, as crucial civil legal actions protected by law, are fundamentally aimed at stimulating the spirit of innovation and safeguarding the fruits of intellectual labor. Within this framework, the principle of good faith constitutes the fundamental legal requirement for achieving this objective. This principle is firmly embedded in the basic principles of the Civil Code of the People's Republic of China. According to the provisions of the Civil Code, all civil subjects are required to adhere to honesty and commitment in all their interactions.

In the specific implementation of intellectual property law, the manifestation of the principle of good faith is multidimensional. The Patent Law of the People's Republic of China makes a clear provision regarding this, requiring that patent applicants and right holders must strictly follow the principle of good faith during the application and enforcement process of a patent. Furthermore, the law sets clear restrictions on the abuse of patent rights, aiming to prevent such actions from infringing upon public interests and the legitimate rights of others.

The field of scientific and technological innovation places particular emphasis on the importance of the principle of good faith, considering it as the cornerstone of scientific research activities. According to the Science and Technology Progress Law of the People's Republic of China, researchers engaged in scientif-

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ic exploration should actively comply with academic ethics, uphold professional morals, and consistently maintain honesty and trustworthiness. On this basis, China is continuously improving its intellectual property legal framework, reinforcing the role of the principle of good faith within it, to adapt to the increasingly fierce domestic and international competition in intellectual property.

Intellectual property activities play a significant role in stimulating innovative potential, advancing the development of science and technology, and contributing to the comprehensive progress of socio-economic development. In the process of research and exploration by civil entities, particularly higher education institutions and research institutes whose primary mission is the output of innovative achievements, the implementation of the principle of good faith proves to be particularly essential.

The "Law of the People's Republic of China on the Promotion of Science and Technology Progress" articulates precise legal obligations for the integrity of scientific research personnel. The pertinent provisions include: Article 67 mandates that scientific research personnel should vigorously embody the spirit of scientists characterized by patriotism, innovation, realism, dedication, collaboration, and talent development. They are required to strictly comply with academic and ethical norms, uphold professional ethics, and maintain a high standard of honesty and trustworthiness. Concurrently, the law stringently forbids any form of fraudulent activities in scientific and technological endeavors and prohibits the participation in or endorsement of superstitious activities. Article 68 accentuates the state's support for scientific research personnel to engage in unconstrained exploration and risk-taking, fostering a research environment conducive to innovative spirit and accommodating of failure. For those involved in highly exploratory and risky projects, provided that their original records and other evidence substantiate their diligence and responsibility, yet the project remains incomplete, the law grants them immunity from liability. Article 69 stipulates that the record of scientific research integrity will be an essential criterion in the evaluation for appointments in scientific and technical positions, the conferment of professional titles, the approval of scientific research project applications, and the allocation of scientific and technological awards. The legislation imposes stringent moral and legal standards regarding the adherence to the principle of honesty and trustworthiness within the research and development processes, while also demonstrating necessary leniency in specific research activities. This balance is crucial to ensure the genuineness and efficacy of intellectual property activities and to prevent the overstatement and falsification of scientific research achievements.

In light of these considerations, China has been vigorously developing and refining its intellectual property legal framework, particularly through the implementation regulations of the Patent Law, Trademark Law, geographical indication legislation, and regulations concerning the protection of integrated circuit layout designs. The principle of honesty and trustworthiness is central to enhancing the systematic, integrated, coordinated, and timely nature of the legal framework. Through these efforts, China is actively participating in the drafting and revising of international intellectual property regulations, continuously advancing the enhancement of the domestic intellectual property legal framework, and is dedicated to providing robust intellectual property protection and institutional support for the nation's modernization efforts via legal mechanisms.

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3 Specific Requirements of the Principle of Good Faith in Intellectual Property Activities

3.1 The Embodiment of the Principle of Good Faith during the Registration Application Stage

In the registration application phase of intellectual property rights, there are subtle differences in procedural requirements for different types of protection. Specifically, patent protection emphasizes the application phase, trademark protection focuses on the registration phase, and copyright protection highlights the recording stage. These differences primarily stem from the particularities of legal procedures associated with each type of protected subject matter. At this stage, the core requirement is that the entities applying for rights must strictly adhere to the principle of good faith. The "Regulations on the Standardization of Patent Application Behaviors," promulgated in December 2023, provide a more detailed interpretation and refinement of this principle, further reinforcing its application in the patent application process. Entities applying for rights are obligated to base their patent applications on genuine inventive or creative activities and are strictly prohibited from submitting any false statements or misleading information. Additionally, they must refrain from engaging in any abnormal patent application behaviors.

Such conduct can be regarded as the applicant knowingly taking measures in contravention of the legal provisions, in response to examinations by the patent or trademark offices, even though the subject matter of their application does not meet statutory requirements. Therefore, applicants must have a full understanding of their intellectual property behaviors and an in-depth knowledge of relevant intellectual property rules. This understanding is key to preventing and eliminating improper patent and trademark applications from the outset.

During the process of intellectual property application and management, numerous rights holders tend to entrust professional agencies or law firms to execute related affairs. Consequently, the trustees are obliged to provide accurate interpretations of intellectual property legal provisions to their clients and guide them in making compliant, high-quality applications. Based on a thorough understanding of the intellectual property legal framework and the principle of good faith, agencies and their agents should practice strict self-discipline to ensure these principles are reflected and implemented in their daily work.

According to the "Guidelines for Patent Examination," applicants (or patentees) and other relevant parties must adhere to the principle of good faith in all procedures related to patent applications or patents. For those patent applications or granted patents that violate the principle of good faith, the patent office will refuse to process the related procedures and will carry out revocation processes for improperly approved applications, thereby upholding the seriousness and authority of intellectual property law.

3.2 The Embodiment of the Principle of Good Faith during the Examination Stage

In the intellectual property legal system, the principle of good faith is crucial to ensuring fairness during the patent examination stage. The latest revision of the "Guidelines for Patent Examination" reinforces the

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application of the principle of good faith, explicitly stating that if there are actions such as providing false evidence that violate the principle of good faith during the patent application process, examiners have the right to issue a notification deeming the application as not filed. Moreover, for patents that have been approved, they are to be revoked according to law. This change signifies that patent administrative authorities can reject dishonest patent applications based on the principle of good faith during examination practices, thereby preventing the hollowing out of patent regulations and ensuring the realization of legislative objectives.

According to Article 59 of the "Implementing Regulations of the Patent Law," dishonest behaviors during the patent application process, such as falsification not based on a genuine invention or creation, are one of the scenarios for rejecting an invention patent application. Furthermore, the principle of good faith is also one of the substantive conditions for granting patent rights. For patents obtained in clear violation of this principle, they can be examined for invalidation under the grounds provided by Article 11 of the "Implementing Regulations of the Patent Law."

The Supreme People's Court has also clarified in its judicial interpretations that if a patent applicant or patentee violates the principle of good faith by fabricating or concocting technical content in patent documents, the People's Court will support claims that such actions do not comply with the stipulations of the patent law. This indicates that the principle of good faith not only plays a significant role in the patent examination and rights confirmation process but is also an important consideration in the procedure for declaring patent rights invalid.

In the invalidation declaration procedure, when the traditional allocation of the burden of proof is difficult to determine responsibility, the collegial panel can determine the burden of proof based on principles of fairness and good faith, combined with the capabilities of the parties to present evidence and the likelihood of the facts to be proven. The Supreme People's Court emphasized in case number (2020) Supreme Law Intellectual Property Final 564 that the act of illegally applying for a patent for another's technological achievements and requesting invalidation of the patent rights after their return violates the principle of good faith and should not be supported.

Furthermore, the Supreme People's Court added new provisions in the "Decision on Amending the Provisions of the Supreme People's Court on Several Issues Concerning the Intellectual Property Court," requiring the intellectual property courts to ask parties to disclose relevant information about the intellectual property involved in the case. Failure to disclose truthfully can be considered as a factor in assessing whether they have followed the principle of good faith. This indicates that from the application stage to examination and then to trial, the principle of good faith is a steadfast requirement throughout the protection of intellectual property rights. Through the legal application in the aforementioned cases, the Supreme People's Court has shown its adjudication philosophy of combating dishonest behaviors, purifying the innovation environment, and strengthening the protection of intellectual property rights. Particularly, the court applies the principle of good faith to administrative cases of patent confirmation in order to curb the abuse of rights and protect the innovation environment, which plays an important declaratory and guiding role in preventing the abuse of the patent system. At the same time, the courts also emphasize strengthening the protection of

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intellectual property rights within the legal framework to ensure that the granting of patent rights does not harm the interests of the public and guarantees the free exercise of legitimate rights and interests.

3.3 Embodiment of the Principle of Good Faith during the Exercise of Rights Post-Confirmation

After the confirmation of rights, the principle of good faith is also reflected during the exercise of those rights. This principle ensures that the rights holders do not abuse their granted rights and that their actions are consistent with the spirit of fair competition and the protection of intellectual property. The principle of good faith guides the conduct of patentees, requiring them to exercise their rights in a manner that is not misleading, deceptive, or unfairly detrimental to others. This includes the proper use of patents, the enforcement of patent rights, and the resolution of disputes, all of which should be conducted with integrity and fairness. The principle of good faith thus serves as a safeguard against the misuse of intellectual property rights and promotes a healthy and balanced innovation ecosystem.

During the stage of exercising rights after the confirmation of intellectual property rights, the embodiment of the principle of good faith is crucial. As stipulated in Article 20, Paragraph 1 of the Patent Law and Article 11 of the Detailed Rules for the Implementation of the Patent Law, the application and exercise of patent rights must adhere to the principle of good faith, ensuring that patent applications are based on genuine invention or creation and prohibiting any fraudulent acts. This indicates that even though intellectual property rights are private rights, their exercise must also consider the public interest and avoid rights abuse.

The abuse of intellectual property rights is defined as an improper act by the right holder that violates the principle of good faith. Such behavior is not only blameworthy subjectively but also objectively damages the legitimate rights and interests of others and society. As Professor Feng Xiaoqing pointed out, the abuse of intellectual property rights contravenes the original intent and public policy behind the establishment of the intellectual property system and undermines the legitimacy and efficiency of the legal system.

In case number (2020) Supreme Law Intellectual Property End 943, the Supreme People's Court emphasized the crucial role of the principle of good faith in ensuring the fairness and efficiency of the identification process in disputes over the infringement of new plant varieties. The courts must ensure that the opinions on identification are scientific and accurate, while also ensuring that all parties acknowledge the process of identification, avoiding the misuse of the identification process to improperly delay litigation.

When rights holders exercise their intellectual property rights, including licensing, transferring, pledging, or implementing them on their own, they should follow the principles of voluntariness, equality, fairness, and good faith typical of market transactions, as well as adhere to business ethics. The "Special Action Plan for the Transformation and Application of Patents (2023–2025)" passed by the Executive Meeting of the State Council on October 10, 2023, further emphasizes the importance of promoting the industrialization of patents and accelerating the realization of patent value. It points out that activities in the transformation of scientific and technological achievements should follow the principles of voluntariness, mutual benefit, fairness, and good faith, and in accordance with the law or contract, enjoy benefits and bear risks.

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Article 3 of the "Law of the People's Republic of China on the Promotion of the Transformation of Scientific and Technological Achievements" also clearly stipulates. Activities in the transformation of scientific and technological achievements should be conducive to enhancing economic efficiency, social benefits, and the protection of the environment and resources, as well as promoting economic construction, social development, and national defense construction. These provisions collectively reflect the significant role of the principle of good faith throughout the entire chain of intellectual property rights, guiding the applicant entities to engage in genuine creation, regulating the behavior of agencies and law firms, and protecting innovative achievements. They ensure that administrative agencies and courts have the law to rely on, effectively safeguarding the legitimate rights and interests of rights holders.

The implementation of the principle of good faith is of profound significance for maintaining the fairness of the intellectual property legal system, stimulating innovation, promoting scientific and technological progress, and economic and social development. By ensuring that every link of intellectual property activities adheres to the principle of good faith, the quality and effectiveness of intellectual property can be effectively enhanced, providing a solid legal foundation for building an innovative country.

4 The Principle of Good Faith and the Improvement of the Intellectual Property Legal System

In the intellectual property legal system, the principle of good faith is central to maintaining legal justice, encouraging innovation, and balancing the interests of all parties. However, with the rapid development of technology and the constant changes in the market environment, the existing legal framework may no longer be sufficient to address new challenges in certain respects. Therefore, it is necessary to further strengthen the status of the principle of good faith through legislation and judicial interpretation, and to address the shortcomings in the current legal framework.

On one hand, it is necessary to clarify legal provisions. Firstly, the legal status and specific requirements of the principle of good faith should be further defined in intellectual property laws such as the Patent Law, Trademark Law, and Copyright Law. For example, more detailed definitions of behaviors such as "fraudulent practices" and "abuse of rights" could be established, along with corresponding legal responsibilities. Secondly, the enforcement of the law should be strengthened. In addition to civil liability, administrative penalties should be considered for violations of the principle of good faith to serve as an effective deterrent. In response to challenges in emerging technology fields, such as creations generated by artificial intelligence and the analysis and utilization of big data, revisions to existing laws are needed to adapt to the intellectual property protection requirements under new technological conditions.

On the other hand, the improvement of judicial interpretations is necessary. Judicial interpretations should unify the application standards of the principle of good faith in intellectual property cases, reducing the phenomenon of judicial inconsistency due to regional differences. The Supreme People's Court can issue guiding cases to clarify the application of the principle of good faith in different types of intellectual property cases, providing references for judicial decisions. In addressing the shortcomings of the current legal

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framework, plaintiffs often face difficulties in proving their cases in intellectual property disputes. Legislative improvements to evidence rules could be made, such as allowing courts to investigate and collect evidence ex officio under certain conditions, thereby alleviating the burden of proof on plaintiffs.

In the context of globalization, intellectual property protection requires international cooperation. Participation in the negotiation and revision of international treaties can promote the unification and implementation of the principle of good faith internationally. The implementation of the law relies on public understanding and support. Through education and publicity, the public's awareness of the principle of good faith can be enhanced, fostering a social atmosphere that respects intellectual property and encourages innovation.

For the abuse of intellectual property rights, in addition to legal sanctions, regulation through industry self-discipline, social supervision, and other diversified means can also be implemented. In the protection of intellectual property, small and medium-sized enterprises (SMEs) often occupy a weak position. Legislative and judicial interpretations should strengthen the protection of SME rights, such as simplifying the rights protection procedures and reducing the costs of rights protection. The protection of intellectual property should not hinder the public interest. While strengthening protection, it is also necessary to promote the reasonable use of intellectual property through legal means, such as improving the compulsory licensing system and encouraging open-source code.

5 Conclusion

This article has delved deeply into the significant role of the principle of good faith in intellectual property activities and its practical applications, revealing the core value of this principle in maintaining legal justice, encouraging innovation, and balancing the interests of all parties. Through an analysis of the revisions to the Implementing Regulations of the Patent Law, it is recognized that the importance of the principle of good faith within the intellectual property legal framework is continually increasing, which has profound implications for enhancing the quality of intellectual property and promoting socio-economic development.

In the current era of globalization and rapid technological advancement, the intellectual property legal system faces the dual pressures of emerging technological challenges and changes in market environments. This article emphasizes that to adapt to these changes, the legal framework must be further refined, with a clear legal status and specific requirements for the principle of good faith, strengthened enforcement of the law, and legal revisions in response to challenges in emerging technology fields. Additionally, this article proposes enhancing public awareness of intellectual property through education, protecting the rights of small and medium-sized enterprises, promoting the reasonable use of intellectual property, and providing solid legal support for the construction of an innovative country. Through the improvement of judicial interpretations and the refinement of evidence rules, the burden of proof on plaintiffs can be reduced, and judicial efficiency can be enhanced. Furthermore, international cooperation plays an indispensable role in intellectual property protection, and through participation in the negotiation and revision of international treaties, the principle of good faith can be promoted for unification and implementation internationally. Fi-

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nally, this article calls for concerted efforts from all sectors of society to foster a respectful and innovative environment for intellectual property. For the abuse of intellectual property rights, in addition to legal sanctions, regulation through industry self-discipline, social supervision, and other diversified means can also be implemented. The protection of intellectual property should not hinder the public interest; it requires legal means to promote the reasonable use of intellectual property.

The principle of good faith is the cornerstone of the intellectual property legal system. The research in this article not only provides a theoretical foundation for understanding and applying this principle but also offers strategic guidance for the improvement and practical application of the intellectual property legal system. In the future, we look forward to seeing more in-depth research on the application of the principle of good faith in the field of intellectual property, as well as the continuous improvement and innovation of related legal systems.

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