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**Question 1**

* 1. **Elements of Black Myth: Wu Kong(**abbreviated subsequently as Black Myth**)**

**Elements from classic novel Journey to the West**

Elements from the classic novel Journey to the West, written by Wu Cheng'en in the Ming Dynasty (approximately 400 years ago), are no longer protected by copyright. Pursuant to Article 23 of the Copyright Law of China (CLC), the term of protection for most economic rights is the life of the author plus fifty years. Consequently, rights such as adaptation, communication through an information network, and distribution for Journey to the West have expired. Therefore, original elements from Wu Cheng'en's novel, including character traits, the main story structure, and specific plots (e.g., Monkey Subdues White-Skeleton Demon), are now in the public domain.

**Elements which are original from Black-myth and protected by copyright law**

Game Science ensured Black Myth: Wukong's content was original, despite its mythical inspiration. Under Article 3 of the Copyright Law of China (CLC), "works" are original intellectual achievements in literature, art, or science, expressed in a certain form. Copyright protects expression, not ideas, requiring an original, reproducible intellectual creation. Black Myth: Wukong satisfies these criteria: It's a literary/artistic work as an adaptation of a classic novel. It's Game Science's intellectual achievement, reflecting collective creativity. Its originality is shown through its original subplot, new characters, and distinctive designs, reinterpreting a written novel as an audiovisual work.It's expressed as computer software. While the precise categorization of a game—whether as an audiovisual work (Art.3(6) CLC), computer software (Art.3(8) CLC), or another intellectual achievement conforming to the characteristics of works (Art.3(9) CLC)—is arguable, its status as a "work" protected by copyright law is clear.

Moreover, individual components within the game are also separately protectable under different categories. Accordingly, several distinct elements of Black Myth: Wukong are protected by copyright as stated below.

1. Original Plotlines and Dialogue: New plotlines (e.g., the Silver Dragon King subplot) and dialogue are protected original literary/audiovisual expressions. Game Science’s specific elaborations, unique character developments, and distinct narrative sequences, especially where deviating substantially from the Journey to the West as a politic metaphor novel, are copyrightable.
2. Original Artwork and Character Designs: Distinctive character designs (e.g., Wukong’s unique armor, new monster designs), 3D models, and background art constitute original artistic works, representing unique artistic expression.
3. Software Code: The "software code unique to their vision" is protected as a computer program (Art.3(8) CLC).
4. The Game as an Audiovisual Work: Black Myth: Wukong's entirety—its combination of moving images, sounds, and interactive elements—is protectable as an audiovisual work, covering its overall coordinated expression.
5. Compilation of Elements: The original selection and arrangement of elements, such as Game Science's specific adaptation and sequencing of plotlines from Journey to the West, can be protected as a compilation if demonstrating originality.

**Elements which are generated by AI**

The legal status of AI-generated artwork and dialogue (e.g., the mountain temple background and NPC lines from "ArtisanAI," subsequently lightly edited) is an evolving area of Chinese law, presenting two primary issues. First, Article 3 of the CLC implies that "intellectual achievements" require human intellectual input to be copyrightable. Second, Articles 11 and 12 of the CLC stipulate that an author must be a natural person, legal person, or unincorporated organization.

In Game Science's situation, the "lightly edited by junior designers" aspect is crucial. If this human editing involved significant creative input, selection, or modification that imbued the AI-generated output with originality attributable to the human editor, these edited elements might be protectable. The extent and nature of such edits require careful assessment.

This perspective is supported by the case of李昀锴诉李某AI生成图侵权案((2023)京0491民初11279号). Judge Zhu Ge determined that the AI-generated image in question, possessing aesthetic significance, constituted a work and fulfilled the requirements of an "intellectual achievement" and "originality." The judge emphasized that "Whether content generated using artificial intelligence constitutes a work needs to be determined on a case-by-case basis and cannot be generalized." The key lies in whether the AI model allows creative space for human users and if the generated content reflects human original intellectual input. Judge Zhu Ge further explained, "By designing prompts, different people will generate different results. This difference can reflect human original intellectual input."

Regarding authorship, Judge Zhu Ge noted, "Artificial intelligence models are not legal subjects and cannot become 'authors' under our country's copyright law." Consequently, the court recognized Li Yunkai, the human user who provided the prompts and presumably made selections, as the author of the image, which was thus protected by copyright.

Drawing an analogy from the Li Yunkai case to Black Myth: Wukong, the light editing of AI-generated elements by Game Science's designers is significant. It can be inferred that Game Science maintained quality standards for its artwork assets to ensure a cohesive game setting, evidenced by the game's critical acclaim; such acclaim would be unlikely if AI-generated content were used without careful filtering, selection, and modification. These acts of selecting, filtering, and editing arguably reflect original human intellectual input, potentially rendering the modified AI-generated elements copyrightable with Game Science as the author.

**1.2 Rival studio’s actions with *Legend of Wukong***

Based on the facts presented, it is highly probable that Red Phoenix Digital has infringed on Game Science's copyrights in multiple ways:

Firstly, Red Phoenix Digital’s copying "several 3D models, character designs, and even dialogue lines that appear identical or highly similar" to those in Black Myth: Wukong constitutes an infringement of Game Science's right of alteration, right of reproduction and right of communication through information network. The fact that the original Silver Dragon King character (created by Chen Wei) appears with only "minor cosmetic changes" is strong evidence of copying a protected original expression thus infringing right of alteration of Chen Wei as authorship rights stays with the individual creators. Moreover, Red Phoenix Digital copies digital assets from Black Myth without license and release its game. Such conduct would constitute infringement of Black Myth’s right of communication through information network as public may have access to the work at time and place chosen by them.

Second, The discovery of an "identical hidden glitch" strongly suggests verbatim copying of protected software code, infringing the right of reproduction in the computer program.

Thirdly, Red Phoenix Digital incorporated footage from Game Science’s official Wukong trailer and broadcast this trailer on local television and on their website without any license" . This infringes Game Science's right of broadcasting.

Finally, all Red Phoenix Digital‘s defense is weak and untenable, While the idea of Sun Wukong is in the public domain, Game Science has copyright in its specific, original expression of characters, plotlines, art, and code. Red Phoenix Digital appears to have copied these original expressions, not just general public domain concepts. The fact that both games feature Wukong fighting a Tiger Demon (from the classic novel) does not excuse the copying of Game Science's original creations like the Silver Dragon King or specific code. Regarding the AI-generated content, Red Phoenix Digital admitted using the mountain temple background image that had leaked online, assuming it was freely usable and unaware it was AI-generated content from Game Science's game. Red Phoenix Digital's admission of usage without license, regardless of its knowledge of the content's AI-generated nature or its actual copyrightability by Game Science, undermines its defense. If the content is copyrightable by Game Science, such unauthorized use constitutes infringement. Therefore, Red Phoenix Digital has clearly infringed Game Science's copyright.

* 1. **Regarding the live stream by Liu Meng**

Yes, Liu Meng's broadcast likely infringed on Game Science’s economic rights, specifically the right of broadcasting and right of communication through information network(art11,12 CLC).

Liu Meng’s act of live-streaming the entire playthrough (15+ hours) from opening to ending, and making recordings available on-demand, makes the audiovisual content of the game available to the public via the internet without Game Science's permission. The live-streaming infringes Game Science’s right of broadcasting as the whole work is disseminated through internet(wireless mean) given the prolonged and comprehensive live-stream. The submit of recording further infringes right of communication through information network. The public thereafter have access to the Black Myth at time and place chosen by them. The fact that "some consumers were watching the full story online instead of purchasing the game" indicates direct market harm.

Liu Meng might assert defenses based on the "limitations on rights" (often referred to as "fair use" in a broader sense, though Chinese law has specific enumerated exceptions) under Article 24 of the CLC. He specifically mentions "commentary and criticism." which allows for "appropriate quotation" from a published work for the purpose of introducing or commenting on that work or explaining a certain issue.

In terms of critique(Art.24(2)), Liu Meng’s stream of the entire game over 15 hours, from start to finish, far exceeds what would typically be considered "appropriate quotation." While his commentary and reactions are present, the primary offering is the game itself. An "appropriate quotation" is usually limited in scope and does not substitute for the original work. Broadcasting the entirety of an audiovisual work is unlikely to qualify.

The commentary must be the main purpose, with the quotation being subsidiary. Here, the gameplay appears to be the main attraction, not merely illustrative material for extensive critique.

In terms of lack of commercial sale(art.24(9) CLC) Liu Meng argues he wasn't "selling the footage itself." However, he earned ad revenue and viewer donations. Even if not a direct sale, this commercial aspect can weigh against fair use. More importantly, the right of information network transmission is an exclusive economic right, and unauthorized transmission causes harm regardless of whether the streamer directly sells the footage. The harm to Game Science's market is a key consideration.

Moreover, It is unlikely apply other cases in Art.25 (e.g. news reporting (Article 24(1)(iii))) to a full gameplay stream.

* 1. **Fan mods**

Yes, the fan mod created and distributed by Zhang Xiaoyu for Black Myth likely infringes on Game Science's copyright under Chinese Copyright Law.

Firstly, the nature of a game modification (MOD) must be considered. When a MOD alters original game elements such as code, artwork, or narrative to an extent that new, original expression is created, it typically qualifies as an "adapted work" (a type of derivative work) under copyright law. Zhang Xiaoyu’s mod, which introduces a "comical alternate costume," modifies "dialogue to include internet meme references," and incorporates "a new ending that Zhang wrote and coded himself," exhibits sufficient creative changes to be classified as such an adapted work based on Black Myth. The creation and distribution of this adapted work implicates several exclusive rights belonging to Game Science as the copyright holder of the original game:

1. Right of Adaptation (Article 9(14) CLC): The act of creating the mod itself, by altering and adding to the original game's content, falls squarely within the scope of Game Science's right of adaptation. Since Zhang Xiaoyu undertook this adaptation without Game Science's permission, this right is infringed.
2. Right of Integrity (Article 10(1)(iv) of the Copyright Law): The scenario notes that the game's artist, Zhang Li, felt his "carefully designed Wukong character" was "turned into a clownish figure," suggesting the mod could be seen as distorting the artistic integrity of the original character design. This could constitute an infringement of the right of integrity which Zhang Li personally hold.
3. Right of communication through information network and distribution(Art.9(12)): By sharing the mod "freely on a gamer forum," where "thousands of players had downloaded and applied" it, Zhang Xiaoyu made the unauthorized adapted work available to the public. This act likely infringes Game Science's exclusive right to control the dissemination of its work and derivatives thereof, characterized as information network communication(Art.9(12)) and also right distribution(Art.9(6)).

Zhang Xiaoyu’s potential arguments that the mod is "just for fun," non-commercial, or requires a legitimate copy of the game to function do not typically serve as valid legal defenses under Art.24 CLC against copyright infringement in this context. While these factors might influence a rights holder's decision on whether to pursue action, they do not negate the infringement of exclusive rights. The argument for "personal fair use" is also significantly weakened, if not entirely negated, by the public distribution of the mod to a large audience; personal use exceptions are generally very limited and do not extend to widespread sharing.

It is acknowledged that in practice, game companies sometimes tolerate or even encourage a vibrant modding community for popular games, and direct legal actions against non-commercial fan mods are not always pursued due to potential community backlash or the view that mods can enhance player engagement and longevity. Some companies may have user agreements or policies that explicitly or implicitly permit certain types of modding(“Cyberpunk 2077” as a positive example). However, in the absence of such permission from Game Science, Zhang Xiaoyu’s activities, from a strict legal standpoint, constitute an infringement of Game Science's copyrights. The creation and distribution of an unauthorized derivative work, even if done non-commercially, remains a violation of the copyright holder's exclusive rights. Game Science's concern about setting a precedent for unauthorized alterations is therefore legally well-founded.

**1.5 Remedies**

Under the Chinese Copyright Law (Articles 52, 53, 54), Game Science can seek various remedies against the infringing parties (Red Phoenix Digital, Liu Meng, Zhang Xiaoyu):

1. Cessation of Infringement (Injunctions): Game Science can demand that the infringers stop their infringing activities. This would mean: Red Phoenix Digital: Stop developing, distributing, marketing, and making available Legend of Wukong. Liu Meng: Take down the archived videos of the Black Myth: Wukong playthrough and cease further unauthorized full broadcasts. Zhang Xiaoyu: Stop distributing the mod and remove it from the gamer forum.
2. Elimination of Effects: This could involve public apologies or measures to counteract the negative impact of the infringement.
3. Compensation of actual loss/illegal gains: Game Science is entitled to compensation for its losses or, alternatively, the illegal gains of the infringer. In the case that the actual loss is difficult to quantify precisely, the compensation may be made by reference to the amount of royalties for that right(up to 5 million).
4. Reasonable Expenses: Game Science can claim reimbursement for reasonable expenses incurred in stopping the infringement, such as investigation costs and attorney fees.
5. Destruction of Infringing Copies and Materials/Tools: Courts can order the destruction of infringing games, mod files, and potentially the tools primarily used to create them.

Strategic Considerations: For Zhang Xiaoyu (the mod maker), while legal action is an option, a more nuanced approach (e.g., a letter requesting cessation, dialogue with the fan community, or even establishing official modding guidelines) might be strategically preferable to avoid alienating the fan base, depending on the company's overall community engagement strategy. However, the legal right to act remains. For commercial infringers like Red Phoenix Digital, more aggressive legal action is typically warranted.

**Question 2**

**2.1 Assessment of Patent CN2020-XYZ Validity**

The challenge to the validity of NovaTech's patent CN2020-XYZ by DragonTech requires an assessment based on the conditions for granting patent rights, primarily novelty and inventiveness, as mandated by Article 22 of the Patent Law.

**Procedural Aspects and Double Patenting Considerations:**

Before addressing the substantive challenges of novelty and inventiveness, it's important to note a procedural aspect arising from NovaTech's filing strategy. The information that NovaTech filed applications for both a utility model and an invention patent for the identical invention-creation on the same day in June 2020, with the utility model being granted in early 2021 and subsequently abandoned after the invention patent CN2020-XYZ was granted in late 2023, is significant.

This strategy is expressly permitted under Article 9, Paragraph 1 of the Patent Law of the People's Republic of China. This article states: "For any identical invention-creation, only one patent right shall be granted. However, where the same applicant files applications for both a utility model patent and an invention patent … the invention patent may be granted."

NovaTech’s actions appear to align with this provision. By abandoning the utility model after the invention patent was granted, NovaTech avoided the issue of double patenting for the same invention-creation. This strategic approach allows applicants to secure earlier, albeit shorter-term, protection via a utility model (which undergoes only preliminary examination) while the more substantively examined invention patent application is pending. Provided NovaTech made the necessary declaration to abandon the utility model as required, this filing strategy is a legitimate way to manage patent protection and should not, in itself, form a basis for invalidating the invention patent CN2020-XYZ on procedural grounds related to double patenting. This fact underscores that NovaTech navigated a key procedural requirement correctly.

**Novelty**

For an invention to be novel, it must not form part of the prior art, and no identical application should have been filed with the patent administration department before NovaTech's filing date and subsequently published. The assessment involves comparing the claimed invention with individual prior art documents.

The 2018 Academic Article describes a "dual-layer configuration" for reducing motion errors. To negate the novelty of Claim 1, this article must disclose all elements of the claim, specifically the precise layered structure of LEDs and photodiodes (element b) in combination with the adaptive filtering algorithm for motion artifact reduction (element c) within a wearable device context (element a). If the article's "dual-layer configuration" is identical to NovaTech's claimed sensor structure (element b), the novelty of that specific feature could be compromised. However, Claim 1 is a combination claim. If the article fails to disclose the adaptive filtering algorithm (element c) or its specific application to the described sensor for achieving motion-resistant heart-rate monitoring, then Claim 1, as a whole, likely remains novel. The prior art must disclose technical content equal to or greater than the claimed technical content.

Earlier Utility Model Patents (2016-2017): These describe sensors with "multiple optical elements arranged around a central processing unit." This phrasing suggests a different spatial arrangement than NovaTech’s claimed "multi-layer format," which implies a stacked configuration (elements "one behind the other"). If the utility models do not teach this specific stacked arrangement, they would not anticipate element (b) of Claim 1, and thus would not destroy the novelty of the entire claim. The term "multiple optical elements" is broad, whereas NovaTech's claim specifies a more particular structure.

2017 Industry Publications: These describe methods including "replacing a physical second sensor layer with a light-diffusing film." This prior art actually teaches away from NovaTech’s Claim 1(b), which specifies a physical multi-layer sensor array. It describes an alternative solution, not the same invention. Therefore, it is unlikely to negate the novelty of NovaTech's claimed invention.

**Inventiveness**

Inventiveness, as per Article 22 of the Patent Law, requires that, compared with the prior art, the invention has prominent substantive features and represents obvious progress. This is assessed from the perspective of a person skilled in the relevant field of technology at the time of filing. The assessment typically involves determining the closest prior art, identifying the distinguishing features of the invention and the technical problem it solves, and then assessing whether the invention would have been obvious to a skilled person.

Closest Prior Art is likely the 2018 Academic Article, assuming it discloses a dual-layer sensor for heart-rate monitoring. Assuming the 2018 article describes a general dual-layer sensor but not the specific adaptive filtering algorithm tailored for motion, the distinguishing features of NovaTech's invention would be the particular LED-first/photodiode-second layer configuration in synergistic combination with the specifically adapted filtering algorithm, all integrated into a wristband to accurately measure heart-rate during movement. This would serve as a distinguishing feature.

The invention addresses the significant technical challenge of obtaining accurate heart-rate readings from wearable devices during physical activity by reducing motion-induced errors.

In terms of obviousness: Relative to the 2018 Article: Even if a dual-layer sensor concept was known from the article, the key question is whether it would have been obvious for a skilled person to combine such a sensor with the specific adaptive filtering algorithm as claimed by NovaTech to achieve the demonstrated improvement in accuracy during motion. While adaptive filtering is a known signal processing technique, its particular application and optimization for this specific multi-layer sensor configuration to solve the defined problem might not be obvious. The "clear improvement in signal accuracy" mentioned in NovaTech's patent specification supports the argument of "obvious progress."

Factors that can support a finding of non-obviousness include solving a long-felt but unsolved need (accurate monitoring during activity, as suggested by the problem statement), overcoming technical prejudice, or achieving unexpected technical effects (such as a significant, documented improvement in signal accuracy). It is also relative to note the utility models. If these patents disclose a different sensor arrangement (e.g., elements "arranged around" a CPU), NovaTech's "stacked" multi-layer design, when combined with its adaptive algorithm, could represent a non-obvious alternative that offers distinct advantages in light capture or signal processing.

2017 Publications also supports non-obviousness. The fact that these publications suggest a light-diffusing film as an alternative to a physical second layer indicates that various approaches were being explored to solve the problem. NovaTech's choice of a physical multi-layer structure combined with a specific algorithm, if it yielded superior or unexpectedly positive results compared to what would be expected from these alternatives, would support inventiveness. The DragonTech engineer's internal communication, noting that a dual-layer sensor could be achieved by either stacking elements or using a diffusing medium as simpler alternative, itself suggests these were viewed as distinct technical paths.

In general sense of validity, NovaTech has a defensible position regarding the validity of patent CN2020-XYZ. The strength of this defense will heavily depend on the precise disclosures of the 2018 academic article and NovaTech's ability to articulate the non-obvious advantages of its claimed combination.

**2.2 DragonBand Pro Infringement of Patent CN2020-XYZ**

**Legal Framework for Infringement**

The scope of protection afforded by an invention patent is determined by the content of its claims. The patent's description and any accompanying drawings can be used to interpret the meaning and scope of these claims, and this interpretation is typically undertaken from the perspective of a person skilled in the relevant field of technology. Prohibited acts that constitute patent infringement include the unauthorized making, using, offering to sell, selling, or importing of the patented product for production or business purposes. The determination of infringement primarily follows the "all-elements rule." For literal infringement to occur, the accused product or process must incorporate every single technical feature recited in at least one of the patent claims. If literal infringement is not found, infringement can still be established under the "doctrine of equivalents." This doctrine applies if a feature in the accused product, though not identical, is considered an "equivalent" to a claimed feature. An equivalent feature is one that performs substantially the same function in substantially the same way to achieve substantially the same result, and the substitution of this feature for the claimed one would have been obvious to a person skilled in the art without requiring inventive labor. The "function, way, effect" test is often applied in this assessment. However, the application of the doctrine of equivalents is subject to certain limitations, such as the "doctrine of dedication," which posits that features disclosed in the patent specification but not included in the claims are dedicated to the public, and "prosecution history estoppel," which prevents a patentee from recapturing subject matter that was surrendered or disclaimed during the patent prosecution process to overcome objections.

**Analysis of Pattern Claims:**

When analyzing DragonBand Pro against Claim 1 of NovaTech’s patent CN2020-XYZ, several features are considered. The presence of a "wristband housing" (feature a) in DragonBand Pro is likely. However, feature (b), which claims a "sensor array... in a multi-layer format" with LEDs in the first layer and photodiodes in the second, presents a clear difference. DragonBand Pro is described as using a "single layer of LEDs and photodiodes" combined with a "light-diffusing film." Regarding feature (c), the "control module... which uses an adaptive filtering algorithm," a close comparison of DragonBand Pro’s algorithm with the one claimed by NovaTech is necessary, especially since the problem states their performance during movement is very similar.

**Arguments for Infringement (NovaTech)**

Literal infringement of feature (b) of Claim 1 seems unlikely due to the structural difference between DragonBand Pro's single-layer sensor with a diffusing film and NovaTech's claimed multi-layer format. However, literal infringement of feature (c) is possible if DragonBand Pro employs an adaptive filtering algorithm that is identical or very similar to that claimed by NovaTech. If literal infringement is not found for feature (b), NovaTech could alternatively argue for infringement under the doctrine of equivalents. This argument would assert that DragonTech’s "single layer of LEDs and photodiodes combined with a light-diffusing film" is an equivalent to NovaTech’s claimed "multi-layer format." NovaTech would need to demonstrate that both configurations perform substantially the same function (capturing a clear heart-rate signal despite motion) and achieve substantially the same result (improved heart-rate readings during movement). The most contentious aspect would be proving they operate in "substantially the same way." NovaTech might contend that using a diffusing film with a single sensor layer is an obvious variation for a person skilled in the art to achieve an effect similar to that of a physical multi-layer structure, especially if industry publications at the time suggested such alternatives. The internal DragonTech engineer’s message, which mentioned a diffusing medium as a "simpler alternative" to stacked sensors, could be used to support the view that these approaches were considered interchangeable for achieving the same goal.

**Potential Defenses for DragonTech (and NovaTech's counter arguments)**

DragonTech will likely argue non-infringement, both literally and under the doctrine of equivalents, asserting that its single-layer sensor design with a diffusing film is fundamentally different from NovaTech's claimed multi-layer structure and does not operate in substantially the same way. Furthermore, DragonTech can raise a prior art defense, i.e. a defense of non-infringement based on existing technology. They will likely use the same prior art documents cited in their invalidation request to argue that even if their DragonBand Pro product has similarities to NovaTech's claims, those similar features are actually found in the prior art, or alternatively, that NovaTech's claims are overly broad in view of that prior art. If DragonTech’s specific design – the single layer of LEDs and photodiodes combined with a light-diffusing film – is itself disclosed in the 2017 industry publications, this would constitute a strong defense against infringement, even if NovaTech's patent were otherwise considered valid.

**Likelihood of Prevailing on Infringement**

Courts may be hesitant to extend the meaning of "multi-layer format" to encompass a "single-layer plus film" design if they view this structural difference as substantial rather than an insubstantial change. However, if NovaTech can successfully demonstrate that the light-diffusing film in DragonTech’s product serves as a known and direct substitute for achieving the specific technical effect of one of the layers in its patented multi-layer array, and that the overall function and result are indeed the same, then an argument for equivalence has merit. The outcome of the parallel invalidation proceeding is also critically important; if the patent is invalidated, the infringement claim will become moot.

**2.3 Strategic Options for NovaTech**

**Legal Framework**

Patentees possess exclusive rights to their inventions. These rights can be exploited through licensing (exclusive, sole, or non-exclusive) for royalties, or the patent can be assigned (sold) via a registered written contract. Remedies for infringement include injunctions to stop infringing activities and monetary damages. Damages can be based on the patentee's actual losses, the infringer’s profits, or a reasonable royalty. Enhanced damages (1-5 times the base amount) can be awarded for willful infringement. Administrative bodies can also adjudicate patent disputes.

**Strategic Options**

NovaTech can continue the infringement lawsuit against DragonTech, seeking injunctions and damages. NovaTech could halt DragonTech’s sales, secure financial compensation, and affirm the patent’s strength if validity is also successfully defended.

However, there will be high cost and long duration of litigation. Moreover, there is a risk of patent invalidation by CNIPA or the court, the effect patent invalidation is retroactive and NovaTech may lost the litigation due to CNIPA’s decision.

NovaTech can approach DragonTech to negotiate a license for patent CN2020-XYZ. By doing so, NovaTech can generates licensing revenue, avoid litigation costs and uncertainties, allowing both companies to operate.

While there is a risk that DragonTech might refuse, believing the patent is invalid or not infringed. Moreover, license terms might be unfavorable if NovaTech’s leverage is weak and there is also internal risk allowing a competitor to continue using similar technology.

Alternatively, a broader strategy is a patent assertion and wider licensing program, targeting other potential infringers. Adopting such strategy could maximize patent revenue and establish enforcement credibility but requires significant resources and carries litigation risks with each new target.

NovaTech might also consider a patent sale or assignment, providing immediate cash and avoiding future enforcement burdens. However, this means losing control over the technology, and the sale price may be low if the patent's validity is questionable.

Finally, NovaTech could focus on market competition and innovation, prioritizing out-innovating competitors while undertaking limited patent enforcement. This fosters sustainable advantage but doesn't directly address the current infringement or fully monetize this specific patent through enforcement.

In terms of a recommended approach, NovaTech’s immediate priority must be to vigorously defend the patent's validity in the CNIPA proceedings, as this underpins all other options. Contingency planning is crucial, if the patent is upheld, NovaTech’s leverage for litigation or licensing increases; if invalidated or significantly narrowed, the focus must shift to market competition and innovation, as the infringement suit would likely fail.