

Research on the Applicability of Punitive Compensation System for Intellectual Property Rights

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Abstract: The protection of intellectual property rights is crucial to promoting innovation and promoting economic development. In the system of intellectual property rights protection, the punitive compensation system, as a powerful means, aims to effectively combat the infringement behavior and safeguard the rights and interests of intellectual property rights. However, the current punitive compensation system for intellectual property rights is faced with a series of problems and challenges in practice. How to effectively deal with these problems and improve the applicability of the system has become an urgent matter. This paper will discuss the theoretical basis, problems and challenges, and the applicable path, aiming to provide reference for improving the intellectual property protection system.

Keywords: Intellectual Property Rights; Punitive Compensation; Practicability

Introduction: The punitive compensation system for intellectual property rights, as an innovative measure of intellectual property protection, emphasizes the strong punishment for infringement, and aims to more effectively safeguard the legitimate rights and interests of intellectual property owners. The core concept of this system is to force the infringer to bear a heavier legal responsibility for their behavior by setting high compensation standards, so as to achieve the purpose of curbing infringement and encouraging innovation.

1. Theoretical basis of the punitive compensation system for intellectual property rights

The theoretical basis of intellectual property punitive compensation system mainly stems from the pursuit of intellectual property protection effect. In the traditional tort compensation system, the compensation is often limited to the compensation for the loss, and cannot effectively deter the potential tort subjects. The emergence of the punitive compensation system emphasizes the severe punishment of infringement, thus improving the protection of intellectual property rights. The theoretical basis of the system includes the understanding of the value of intellectual property, the cognition of the social harm of infringement, and a deep understanding of the innovation incentive mechanism^[1]. By deeply exploring these theoretical bases, we can better understand the existence and development of the punitive compensation system for intellectual property rights.

2. Problems and challenges of the punitive compensation system for intellectual property rights

2.1 Uncertainty of the application of the law

The uncertainty of law application is one of the primary problems facing the punitive compensation system for intellectual property rights. When the case can be identified as malicious infringement, the system lacks clear legal standards, leading to the ambiguity in practice. The lack of specific guiding provisions makes the specific interpretation of the law rely on the subjective judgment of the judicial judgment, thus increasing the subjectivity and uncertainty of the execution of the^[2]. This makes the evaluation of tort variable due to the inconsistency of legal interpretation, which brings trouble to the court and the relevant parties.

2.2 Difficulty of execution

Some infringing subjects have taken complex means to avoid the compensation liability, including the transfer of assets and involving multiple legal areas, which makes the implementation of the system extremely complicated. This complexity makes the law enforcement agencies extremely difficult in tracking and retracing the infringement, thus slowing down the progress of the legal process. In addition, the lack of effective enforcement means and supervision mechanism also further weakens the enforcement of the system, and some infringements

are therefore difficult to be effectively stopped. This not only reduces the effect of intellectual property protection, but also weakens the deterrence of the system.

2.3 Complexity of the handling of transnational cases

There are great differences in the legal system of intellectual property in different countries, which makes it difficult to reach an agreed legal judgment in transnational cases. This difference is not only manifested in the legal interpretation and system implementation, but also in the definition and scope of intellectual property rights, which increases the legal complexity of case handling^[3]. At the same time, due to the imperfect international cooperation mechanism, the infringer is likely to set up companies by transferring assets between different countries or choosing regions with large differences in law to avoid compensation liability. This makes the law enforcement agencies face difficulties in the process of prosecution and execution, and are unable to stop the infringement comprehensively and effectively.

2.4 The actual effect of the system is restricted

The actual effect of the punitive compensation system of intellectual property rights is restricted by many problems, which makes it difficult for it to play its due deterrent effect. The uncertainty of the application of the above laws, the difficulty of implementation and the complexity of handling transnational cases jointly lead to the restriction of the actual effect of the system. First of all, the uncertainty of the application of law makes the identification of tort exist subjective and legal loopholes, which weakens the clarity and operability of the system. Secondly, the difficulty of enforcement makes it difficult for law enforcement agencies to effectively trace and stop the infringement, which reduces the enforcement effectiveness of the system. Most importantly, due to the imperfect international cooperation mechanism, the handling of transnational cases is affected by institutional differences and coordination difficulties, which enables the infringer to evade legal responsibility by taking advantage of legal loopholes and institutional defects, thus affecting the normal operation of the entire IPR protection system.

3. The applicable path of punitive damages for intellectual property rights

3.1 Strengthen relevant legislation

In strengthening relevant legislation, a series of measures need to be taken to formulate clear and specific regulations to improve the applicability of the IP punitive compensation system. First, the formulation of clear standards of legal application includes clear provisions on which circumstances can be identified as malicious infringement, in order to avoid ambiguous situations in judicial practice^[4]. For example, it can be stipulated that in commercial competition, malicious imitation and intentional manufacture and sale of infringing products while knowing the infringement can be identified as malicious infringement, thus reducing the uncertainty of the application of the law. In order to improve the operability of legal texts, different types of infringement can be refined through case analysis and experience summary, so as to make the regulations closer to the actual situation. Secondly, increasing the definition of infringement is a necessary step to further improve the legal system. Through a clear definition of all kinds of infringement acts, it can provide more specific guidance for judicial practice, and is conducive to maintaining the fairness and consistency of intellectual property rights. For example, in the field of software, the legal liability for illegal copying, tampering and dissemination of software can be stipulated in detail, and the punishment for different infringement acts can be classified. The strength of such a definition not only contributes to the consistency of judicial decisions, but also provides a clearer enforcement standard for law enforcement agencies. Through the above legislative measures, the applicability of the intellectual property punitive compensation system can be improved. For example, for network infringement, the intentional dissemination of pirated software can be clearly identified through legal provisions, and the corresponding compensation liability can be stipulated. Such a clear legal application standard and definition strength will help to reduce the uncertainty and enhance the applicability and operability of the system in the judicial practice. Through such examples, we can see how the specific means of legislation can play a role in practice, and promote the intellectual property punitive compensation system to better fulfill its duty of maintaining innovation.

3.2 Improve the legal system

In terms of improving the legal system, we will focus on establishing a more sound intellectual property protection mechanism, involving the identification of infringement and evidence collection, so as to strengthen the comprehensive protection of intellectual property rights and improve the implementation effect of the punitive compensation system for intellectual property rights. First, the determination of the tort needs to be clearly defined. By formulating detailed laws and regulations and clarifying the nature and elements of various infringement acts, it is helpful to reduce the subjectivity in judicial practice and ensure the accurate identification of infringement acts. For example, it can stipulate the intellectual property infringement in the commercial field, and clarify the identification standards for different types of infringement acts such as trademark infringement and patent infringement, so as to provide a clearer legal basis. On the other hand, emphasizing the importance of intellectual property protection is the core of building a sound legal system. The explicit provisions of the law highlight the strategic importance of intellectual property rights and remind all sectors of society to pay attention to and support the intellectual property protection work. This can not only clarify the value of intellectual property at the legal level, but also form a positive cognition of intellectual property in the public opinion. For example, the regulations can emphasize the role of intellectual property in promoting scientific and technological innovation and economic development, thus highlighting its importance in social progress. Through these means, a more perfect legal system can be constructed, thus providing strong support for the punitive compensation system for intellectual property rights. For example, in the regulation of intellectual property recognition, the evidence collection method of infringement in the software field can be stipulated to ensure the authenticity and adequacy of infringement evidence. At the same time, the protection of intellectual property rights is clearly emphasized in the regulations, which provides a more solid legal foundation for the implementation of the punitive compensation system for intellectual property rights. The improvement of such a legal system will help to improve the implementation effect of the system and provide stronger legal support for the protection of intellectual property rights.

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To sum up, as an important means of intellectual property protection, the punitive compensation system of intellectual property rights is faced with many complex situations in terms of its theoretical basis, problems and challenges, and applicable paths. The uncertainty of the application of law, the difficulty of enforcement and the complexity of handling transnational cases make the system restricted in practice, and it is difficult to play its due deterrent effect. However, we can take a series of measures to improve the applicability of the system in terms of improving relevant legislation, establishing a more sound legal system and strengthening industry self-discipline. By strengthening the specific provisions and definition of laws, emphasizing the importance of intellectual property protection, and with the help of industry self-discipline mechanism, we are expected to solve existing problems in the implementation of the intellectual property punitive compensation system, further promote innovation and promote economic development.

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