Chinese battery makers ATL, CosMX agree to settle global patent battle

By **MLex Staff**

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In a stock exchange filing on Wednesday, Shanghai-listed CosMX said it had signed an agreement with ATL under which both companies would withdraw all pending patent lawsuits.

Citing the need for the healthy and orderly development of the lithium-ion battery industry, as well as both companies' focus on independent innovation and business operations, CosMX said the agreement was reached after multiple rounds of negotiations.

"The negotiations were conducted under the proposal and guidance of courts in relevant jurisdictions," the company added, suggesting Chinese courts had played a role in facilitating the settlement.

China's courts and IP authorities have increasingly promoted mediation as a resolution as a means of resolving complex patent disputes in recent years (see here), particularly in technology-intensive sectors viewed as strategically important to the country's industrial policy.

Chinese courts, including the Supreme People's Court, have also repeatedly emphasized the use of diversified dispute-resolution mechanisms (see here) to reduce prolonged litigation and encourage commercially sustainable outcomes in IP conflicts.

CosMX said in the filing that the settlement would not affect its normal operations. The company added that, although the agreement would involve certain monetary payments, it expected legal expenses to decline substantially after resolving its disputes with ATL.

"The agreement with ATL will allow the company to focus on its own business operations," CosMX said.

The dispute between the two companies dates back to January 2022, when ATL sued CosMX for patent infringement in multiple jurisdictions, including China, the US and Germany. In response, CosMX initiated a series of infringement actions against ATL before the Chongqing First Intermediate Court.

Over the following years, the dispute evolved into a sprawling cross-border patent battle that produced mixed outcomes for both sides.

In one notable case, the Fuzhou Intermediate Court in November 2024 found CosMX liable for infringing ATL invention patent No. ZL201580082766.1 and ordered the company to pay 10 million yuan ($1.4 million) in damages (see here).

In another dispute, however, China's top court overturned a July 2023 lower-court judgment that had awarded ATL more than 40 million yuan in damages against CosMX after ATL's lithium-ion pouch-cell patent No. ZL201210405678.9 was invalidated (see here).

The rivalry between the two companies unfolded against a backdrop of intensifying competition in the lithium-ion battery market. The settlement marks a significant de-escalation in one of China's most closely watched battery-sector patent disputes, although neither side disclosed detailed terms of the agreement.

- Analysis by Xiaoqiong Gao

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