

NEWSLETTER

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QUARTERLY

PANAWELL & PARTNERS LLC



Cover: Interior of office block where Panawell locates

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Panawell & Partners, LLC (Panawell), founded in 2003, is an IP boutique firm licensed by the State Intellectual Property Office (SIPO) and the State Administration for Industry and Commerce (SAIC) of the PRC to provide both domestic and overseas clients with full spectrum of services in all fields of intellectual property rights (IPR).

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Statistic Data of Patent Filings and Grants and PCT International Filings before SIPO in 2016

According to the statistics released by the State Intellectual Property Office of China (SIPO), in the year of 2016, SIPO received 3,464,821 applications for invention, utility model and design patents, increasing by 23.8% of those filed in the same period the year before. Of all these applications, 1,338,503 applications were filed for invention patents, 1,475,977 for utility model patents, and 650,344 for design patents, increasing respectively by 21.5%, 30.9% and 14.3% of those filed in the same period of the previous year.

Moreover, of all the applications filed for invention patent in the year of 2016, 1,204,891 were filed by Chinese applicants, increasing 24.4% and accounting for 90.02%; 133,522 by overseas applicants, increasing -0.1% and accounting for 9.98%. The top 10 countries of all the overseas applicants were respectively Japan, the USA, Republic of Korea, Germany, France, the Netherlands, Switzerland, Sweden, the United Kingdom and Italy.

In 2016, SIPO granted a total of 1,753,763 patents for invention, utility model and design, increasing by 2.1% of those granted in the year before. Of all the patents granted, patents for invention, utility model and design were respectively 404,208, 903,420 and 446,135, increasing by 12.5%, 3.1% and -7.6% of those granted in the previous year. Of all the invention patents, 302,136 were granted to

Chinese applicants, increasing by 14.7% and accounting for 74.75%; 102,072 to overseas applicants, increasing 6.5% and accounting for 25.25% of the total of grants. The top 10 countries of all the overseas applicants that had granted the most patents were respectively Japan, the USA, Germany, Republic of Korea, France, Switzerland, the Netherlands, the United Kingdom, Sweden and Italy.

In 2016, SIPO received all together 44,992 PCT international applications, increasing by 47.3% of those received in the same period of the previous year.

(Source: official website of State Intellectual Property Office)

Beijing IP Court Considerably Increased Awarded Damages for IP Infringement

In 2016, the Beijing IP Court received a total of 10,638 IP-related cases of various sorts, increasing by 15.74% of those received in the same period of the previous year, and closed 8,111 cases, increasing 49.30%. According to Chi SU, President of the Beijing IP Court, the Court had intensified IP protection, attached importance to the effect and function of temporary protection measures, and increased awarded damages for IP infringement. One, full use was made of the legal means to ensure right holders to obtain sufficient and market-compatible compensation. Two, the force and effect of punishment on infringement were deeply evaluated to increase cost of infringement. According to incomplete statistics,

in 2016, the amount of damages awarded in cases of patent infringement reached RMB 1.41 million Yuan, that in cases of trademark infringement RMB 1.65 million Yuan, and that in cases of copyright infringement RMB 458,000 Yuan.

(Source: Monthly Report of the Beijing Patent Attorneys Association)

Trademark Applicants May File Trademark Applications Online from March 10

On the E-filing webpage of Chinese Trademark Office's website, the Applicant's Application Column has finally brought to its intended use. For this, the Trademark Office has specially issued the Provisional Regulations on Filing Applications for Trademark Registration Online for applicants to observe. According to the Regulations, applicants should be natural persons, corporate persons or other organizations that are qualified for filing trademark applications under the Trademark Law. Foreigners or overseas enterprises are still required to appoint their trademark agencies to do so online.

(Source: official website of the Trademark Office)

Microsoft vs. Moresoft Trademark Disputes

A Fujian-based software company applied for registration of trademarks of MORESOFT and 4 rhombic color blocks in respect of software and software-related goods in classes 9 and 42, and Microsoft raised an opposition to, and requested

invalidation of, said trademarks. The Chinese Trademark Office concluded that the trademarks of the Fujian-based software company were different from Microsoft's trademark to some extent, but close thereto in terms of overall shape and composed elements, and it used the trademark of 4 rhombic color blocks together with the MORESOFT on its official website. The company's trademarks and Microsoft's trademark were trademarks used in respect of the same or similar goods as pointed out in Article 30 of the Trademark Law. The Trademark Office has refused to register, and invalidated the company's trademarks.

(Source: World Trademark Review)

Revised Guidelines for Patent Examination Entered into Force on April 1

The SIPO issued its decision to approve the revisions to the Guidelines for Patent Examination on February 28, 2017, and the revised Guidelines for Patent Examination entered into force on April 1, 2017. The revisions made in the Guidelines for Patent Examination are as follows:

- 1) Regarding unpatentable applications, it is clearly provided that claims relating to business models, if comprising business rules and methods, and, as well, technical features, should not be excluded from patentability under Article 25 of the Patent Law.
- 2) Regarding patent applications relating to computer program, (i) it is made further clear that

computer program per se differs from inventions relating to computer program, and it is allowable to draft claims in way of "medium + computer program process". (ii) From Section 5.2, paragraph one is deleted "describe in detail what components perform the functions of said computer program and how", and to the end of paragraph one is added "said components comprise not only hardware, but also program", specifying that "program" may be a component of device claims. Besides, the phrase "namely the device performing said method" in paragraph one is adaptively changed into "for example, the device performing said method". (iii) The "functional module" in Section 5.2, paragraph two is changed into "program module".

3) Regarding patent applications in the chemical field, Section 3.5 "concerning later submitted experimental data" is added, the contents of submitting later experimental data in Section 3.4.(2) have been moved to Section 3.5, and the sentence "embodiments and experimental data submitted after the date of filing will not be considered" has been revised into "the examiner shall examine experimental data submitted after the date of filing, and the technical effect proved with experimental data submitted later should be what a person skilled in the art can derived from the disclosure of the patent application".

4) Regarding invalidation procedure, (i) the door is moderately opened to allow more ways to amend patent documents, namely to put into a claim one

or more technical features presented in the other claims to narrow down the extent of protection, and to correct any obvious errors in the claims. (ii) It has been made clear that where the invalidation petitioner increases grounds for invalidation in respect of the claims amended by the patentee in ways other than deletion, the increased grounds shall be directed to the amended contents solely.

5) Regarding access to patent application documentation, the contents that the public is allowed to consult and reproduce have been added as follows: the provision of "until the date of publication" has been deleted from Section 5.2.(2) in respect of files of the patent applications published but not yet granted, which extends the scope of public consultation and reproduction to cover the substantive examination procedure, and allows access to OAs, search reports and decisions issued to applicants; in Section 5.2.(3) concerning files of the patent applications already granted and announced, priority documents and the search reports issued by SIPO have been made accessible for consultation and reproduction, with the word "text" deleted from "the text of response filed by the applicant or third party to the official notifications", the scope of public consultation and reproduction has been broadened from the response main body to cover the amendments and other documents. Besides, since the principle for determining whether to allow consultation and reproduction is clear in the "principle of consultation and reproduction" in Section 5.1, it is possible to determine whether to allow access to

the documentation, accordingly there has deleted the provision of Section 5.2.(5) "except the above-mentioned contents, other documents are not accessible for consultation and reproduction".

6) Regarding the time limit, restoration of rights and suspension, it has been made clear that where the Court requires SIPO to assist in suspending procedures to enforce property preservation, SIPO shall suspend the relevant procedure within the time limit for property preservation as indicated in civil judgments and notices for assistance in this respect; where the Court requires, at the expiry of the time limit, to continue adopting the property preservation, the Court shall send to SIPO the notice for assistance in continued preservation before expiry of the time limit. Where relevant provisions are complied with upon examination, the time limit for suspension is extended or renewed; also, adaptive revisions have been made to the provisions relating to the time limit for suspension of the invalidation proceedings and the preservation requests in waiting list in turn.

(Source: official website of State Intellectual Property Office)

Official Fees for Trademark Applications Decreased by 50% from April 1

According to the Caishui Document No. [2017] 20 of Chinese Finance Ministry and National Development and Reform Commission, official fees for trademark applications have decreased by 50% from April 1, 2017. The official fees after decrease are as follows:

1. Filing fee for registration of a trademark in one class with no more than 10 items – CNY 300 (plus CNY 30 per item from the 11th)
2. Filing fee for registration of a collective trademark – CNY 1500
3. Filing fee for registration of a certification trademark – CNY 1500
4. Fee for request for re-issuance of a trademark registration certificate – CNY 500 (including the fee for loss announcement)
5. Fee for recordal of assignment of registered trademark – CNY 500
6. Trademark renewal fee – CNY 1000
7. Late filing fee for trademark renewal documents – CNY 250
8. Filing fee for appeal for review of trademark – CNY 750
9. Filing fee for trademark opposition – CNY 500
10. Fee for recordal of change – CNY 250
11. Fee for ordering trademark certificate – CNY 50
12. Fee for trademark cancellation – CNY 500
13. Fee for recording a license – CNY 150

(Source: official website of the Trademark Office)

Prosecution Strategies under New Patent Examination Guidelines

Author: Mr. Kevin Ke Li, Partner, Patent Attorney and
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In October, 2016, the State Intellectual Property Office (SIPO) of China released, for public comments, the Draft Amendments to the Guidelines for Patent Examination and its explanation thereof. In February, 2017, the SIPO's Decision on the Amendments to the Guidelines for Patent Examination was approved upon review, and the amended Guidelines for Patent Examination entered into force on April 1, 2017.

The amendments that have been made to the Guidelines for Patent Examination are mainly those in relation to applications for patent relating to computer programs, those to business models, patent applications filed in the chemical fields, and the invalidation proceedings. Here is an overview of the changes brought about by the amendments in connection with applications for patent relating to computer programs and to business models.

I. Regarding computer-related patent applications

The amendments are mainly made as follows:

1. Further explicating that "computer programs as such" are not identical with "inventions relating to computer program"

Chapter 9 "Provisions on Examination of Applications for Patent Relating to Computer Programs" of Part II of the previous Guidelines for

Patent Examination defined the "computer programs as such" and "inventions relating to computer program" respectively, and the two are obviously different. In the present Amendment, the difference between the two has been further explicated in that the "computer programs as such" are not patent eligible while "inventions relating to computer programs" are. Hence, the Amendment is compatible with the previous examination benchmark, and will not obviously change the relevant examination practice.

2. Allowing claims to be drafted in the form of "medium + computer program process"

Under the provision of Chapter 9, Part II of Guidelines for Patent Examination, computer-readable memory medium or computer program products defined by programs recorded therein are not patent eligible as they are essentially rules and methods for mental activities. In practice, if the physical property (e.g. layer composition, magnetic channel spacing, materials), of a claimed computer-readable memory medium per se does not involve improvement, or is merely defined by the computer program of data stored therein, it is not patent eligible. The amended Guidelines for Patent Examination allow claims to be drafted in the form of "medium + computer program process", which means that, for a computer-readable memory medium as claimed subject matter, its improved physical property is no longer required, and it may be defined merely by the method or process performed by computer program stored

therein.

3. Clarifying that "programs" may be constituent part of apparatus claims

In the previous examination practice, for an apparatus claim, if including, among other things, program (say, an apparatus, comprising processor and computer program executed by said processor), an examiner usually found it contrary to Article 26, paragraph four, of the Patent Law (as the claims are not clear, or not based on the description). To rectify this, the applicant could do nothing but draft the claims in such a way that all the steps of a computer program flowchart correspond to one another under Chapter 9, Part II of the Guidelines for Patent Examination. Such an apparatus claim is construed as functional module architecture realized with computer program flowchart, not as a substantial device executed with its hardware. However, in the field of computer science, many inventions relating to computer program also relate to hardware improvement, and hardware improvement is indispensable, and works with computer program. Hence, for these patent applications, it is very difficult to re-draft apparatus claims that both comply with the Guidelines for Patent Examination and reasonably reflect points of improvement and innovation made in the patent. Under a lot of circumstances, applicants had to take a mid-way, or even had to delete related claims. According to the Amendment, computer products are characterized in that software and hardware work

together, and both may involve improvement and innovation; hence, to guide applicants to directly and explicitly describe improvements in program process involved in their inventions, amendments have been made along the line, making it clear that "a program" may be a part of an apparatus claim.

As the above three main amendments made in relation to computer programs show, the Amendment to the Guidelines for Patent Examination have greatly broadened the forms of protection of inventions relating to computer program, which are better and more comprehensive, considering the practical circumstance of the fields of computer science, and helps accord IP protection to related innovation and achievements.

For applicants and patent attorneys, to better protect computer program-related inventions, they, when drafting applications, need to consider using the above forms of protection allowable under the above amendments in their applications. As for patent applications already filed, applicants may consider using the chance for voluntary amendments (e.g. when PCT international applications enter the national phase in China, when request for substantive examination of patent applications is filed, or within three months from the date of receipt of notification of entering substantive examination issued by SIPO), adding corresponding forms of claims (but not go beyond the scope of disclosure contained in the initial application documents). As for patent applications

for which the chance for voluntary amendments is missed, the applicants may try to file divisional applications and seek protection for new forms of claims. Similarly, the new claims in such a divisional application should not go beyond the scope of disclosure of the initial parent application documents.

II. Regarding patent applications relating to business models

The former Guidelines for Patent Examination provided that management methods and systems for business practice or operation, as rules and methods for mental activities, are not patent eligible. The amended Guidelines for Patent Examination have further specified that claims relating to business models, if reciting not only features of business rules and method, but also technical features, should not be excluded from patentability under Article 25 of the Patent Law.

The above amendments have been made as, along with the developments of internet technologies, new business models in the fields of finance, insurance, securities, leasing, auction, investment, marketing, advertisement, and management, to name just a few, have been emerging in the world. These new business models operate well in the market, offer good customer experience, improve the efficiency of resource allocation and circulation, reduce social costs, and improve social welfare, and, for this reason, it is hoped to encourage, and provide proper patent protection for, technological innovations involved in these

business models. So a technical solution should not be excluded from patentability merely because it recites business rules and methods.

For us, the above amendments are compatible with the SIPO's current examination practice in relation to business models as examiners rarely apply Article 25 of the Patent Law to exclude claims reciting both business rules and method features and technical features from patentability. Therefore, we believe that these amendments per se will not obviously change the SIPO's current examination practice.

For claims reciting both business rules and method features and technical features, now, examiners more often exclude them from patentability under Article 22, paragraph two (considering that they are not technical solutions), and Article 22, paragraph three (considering that they lack inventive steps), of the Patent Law. Especially in recent years, more and more examiners tend to apply Article 22, paragraph three, of the Patent Law. As regards Article 25 and Article 2, paragraph two, of the Patent Law, they depend more on their subjective judgment than on searched prior art. For this reason, applicants can only make quite limited arguments in connection with the above two kinds of OAs, and it is usually very difficult for them to change examiners' opinions or views. By contrast, application of Article 22, paragraph three, of the Patent Law more involves searched prior art, so it is more objective, and leave applicants more room to make

arguments. According to our practice, however, now examiners, when dealing with inventive step of business model-related inventions, often consider related business rules and methods as common technical means in the art or something a person skilled in the art can easily contemplate, so they would not bring any prominent substantial feature. While the amended Guidelines for Patent Examination limit examiners in their application of Article 25, this does not mean that it will be easy for business models to be patented.

To make it easier for inventions relating to business models to be patentable through examination of technical solution and that of inventive step, we would like to advise applicants to describe and explain, as much as possible, technical features associated with business rules and methods (especially those not disclosed in the prior art), and recite, as many as possible, technical features in the claims in proper situations.

Overview of Revisions Made in the New Trademark Examination and Adjudication Standards

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On January 4, 2017, the Chinese Trademark Office released, on the China Trademark Website, the recently revised Trademark Examination and Adjudication Standards (the Standards for short) to comprehensively amend the Standards formulated in December 2005 to make them compatible with the Third Amendment to the Trademark Law. An overview is given below of all the revisions and changes made in the new Standards from the former Standards.

I. Trademark Examination Standards

There used to be seven parts of the former Trademark Examination and Adjudication Standards, and there are eleven parts of the new Standards, adding four parts: the examination of sound trademarks, examination of application filed by trademark agencies for registration of trademarks, provisions on application of Article 50 of the Trademark Law, and OA application, with changes specifically as follows:

1. Added Circumstances for Application of Article 10, Paragraph One (7), of the Trademark Law

To the Trademark Law entering into force on May 1, 2014 has been added Article 10, paragraph one (7), namely "any marks or signs that are fraudulent or

apt to mislead the public about the characteristics, such as quality, or place of production of goods, shall not be used as trademarks". In the revised Standards have been set forth detailed provisions on the application of this stipulation, on the two major types of marks: "those apt to mislead the public about the place of production of goods or provision of services, or their origin" and those apt to mislead the public about the characteristics, such as quality, nature, function, usage, raw materials, contents, weight, quantity, price, production process or workmanship, and technology, partly incorporating and further elaborating the contents presented in the former Standards relevant to Article 10, paragraph one (7) and (8), of the former Trademark Law concerning "exaggerated advertisement and fraudulency" and "apt to mislead the public". Also added are circumstances for the application thereto, "where trademarks consist of others' names, without consent by the persons of the names themselves, and are apt to mislead the public about the origin of goods or services". In the Standards is also provided that as for the circumstances of misleading about origin, geographical names of the administrative divisions above the county level in China having no other meanings, or foreign place names known to the public should be rejected by also applying Article 10, paragraph two, of the Trademark Law.

2. Adjusted and Added Circumstances to Which Article 10, Paragraph One (8) Applies

In relation to Article 10, paragraph one (8), of the Trademark Law, beside deleting and putting into Article 10, paragraph one (7), of the Trademark Law, the contents of "exaggerated advertisement and fraudulency" and "apt to mislead the public", amendment has been made that "Article 10, paragraph one (8) of the Trademark Law applies where trademarks consist of the name of our country, lead to misuse thereof, and are apt to cause adverse or negative influence on public interests and social order". Moreover, there have been added two applicable circumstances where "trademarks consist of irregular Chinese characters, inappropriately use idioms, and are apt to mislead the public, and in particular the juveniles", and "trademarks consist of words identical with or similar to names of public figures in politics, religion and history, which are sufficient to cause adverse or negative influence on politics, economy, culture, religion, and ethnic communities in China".

3. Deleted Circumstances where Article 10, Paragraph Two, of Trademark Law Applies

In the former Standards, Article 10, paragraph two, of the Trademark Law applies to circumstance of trademarks consisting of geographical names of the administrative divisions above the county level and circumstances where trademark, in the presence of exception, may be registered "where the name of an applicant consists of a place name and he or it applies his or its full name for registration as a trademark". This exception has

been deleted in the new Standards. As for whether a full corporate name consisting of a geographical name of the administrative divisions above the county level is still acceptable or not, the guiding opinions of the trademark authority is that full corporate names should not be approved for trademark registration, but such names used together with distinctive symbols may be approved on consideration on a case-for-case basis.

4. Revised and Elaborated Standards for Examination of 3D Trademarks, Color Combination Trademarks, Collective Trademarks and Certification Trademarks, and Added Those of Sound Trademarks

Regarding 3D trademarks, it is made certain in the part on formal examination of the new Standards that while filing a 3D trademark application, one may submit "3D views, multiple-side views or 3D effect views" and in the part of substantive examination has been added contents of examination relating to "provision on prohibited use of 3D trademarks". In terms of examination of distinctive feature of 3D trademarks, further detailed circumstances of lack of distinctive feature of 3D trademarks has been elaborated, clearly adding the standards on the determination of distinctive feature of 3D trademarks of "combining 3D signs with other two-dimensional elements", and making it clear that "trademarks consisting of non-distinctive 3D sign and other distinctive two-dimensional sign have their distinctive feature, but, as registered trademarks

the exclusive protection is limited only to the two-dimensional elements having their distinctive feature, with indication made to this effect in the Preliminary Examination Gazette and the Trademark Registration Certificate". For examination of identical or similar 3D trademarks, it has been added that where "3D trademarks consist of 3D signs having distinctive feature combine with other two-dimensional elements having distinctive feature", and said other 2D element and the distinctive part of a 2D trademark are identical or similar, and they are apt to mislead the public about the origin of goods or services are determined as identical or similar trademarks".

In the part on color combination trademarks has been added to the formal examination of the revised Standards the forms of submitted trademark drawings or pictures, namely beside the common "color blocks showing combination of colors", it is added that contour pictures showing location of the colors used may be submitted". Meanwhile, it is clearly required to "describe, in the application, the specific ways of use of said color combination trademark in business activities". As for the distinctive feature of a color combination trademark, it is clarified that "normally, it takes long-time use for a color combination trademark to acquire its distinctive feature, and the Trademark Office may issue OAs, requiring an applicant to present evidence of use, and explain as to the acquired distinctive feature through use".

For the sound trademarks has been added contents of the relevant formal and substantive examination to the Standards, similar to those in relation to the color combination trademarks. The Standards have made clear that an applicant should explain use of a trademark in the application filed, that it takes long-time use for a sound trademark to acquire its distinctive feature, and the Trademark Office may issue OAs.

In the part on collective trademarks and certification trademarks, the main change is that the examination on the scope of production region of a geographical indication/collective trademark and certification trademark formerly requiring determination in the certification issued by the competent authority of the industry at or above the provincial level has been revised into the following: "it may be the geographical scope indicated in county annals, agricultural annals, product annals, yearbooks, or textbooks; and it may be determined with documents certifying the geographic scope issued by the government of the county level of the region indicated in the geographical indications or its above competent authority of the industry". Also the "administrative division" has been added as one of the geographical scope of production.

5. Added Standards for Examination of Application Filed by Trademark Agencies for Trademark Registration, and Agency Services of Trademark Agencies Defined as Service Items in Group 4506 in Class 45

Examination standards on applications filed by the

trademark agencies for trademark registration have been added under the new Trademark Law and the Regulations for Implementation of the Trademark Law. Under the new Standards, now, agent services of trademark agencies are defined as items of services in the group 4506 in the Classification of Similar Goods and Services based on the Nice Classification (11th edition), and applications should not be filed in any other class of goods or services.

6. Standards for Finding Similar Trademarks Changed from "Misleading" into "Confusing"

The standards for examination as to identical and similar trademarks are not very much changed in the revised Standards, and the most important revision is that the standards for finding similar trademarks has changed from "being apt to mislead the relevant sector of the public as to the origin of goods or services" into "being apt to confuse the relevant sector of the public as to the origin of goods or services", further stressing and highlighting the confusion standards and the basis for finding similar trademarks. Moreover, the new Standards have further improved the language and adjusted order of the Articles in some parts, with some new cases of similar trademark determination added.

7. Added Provisions Concerning Application of Article 50 of the Trademark Law

It has been made certain in the Standards that a registered trademark cancelled for non-use for 3

consecutive years may not be recited or certified or proved upon expiry of the time limit for cancellation reexamination. It is also clearly provided that Article 50 of the Trademark Law does not apply where the original applicant files a new application for registration of said trademark.

8. Addition of Application of OAs

To the new Standards have been added application of OAs, clarifying the several circumstances where OAs apply, such as that a trademark application may be approved upon the applicant's explanation where Article 10, paragraph one (2), (3), (4) or paragraph two, or Article 11, paragraph two is applicable; and that a color combination trademark or sound trademark application may pass preliminary examination where its distinctive feature cannot be determined by the application documents sufficiently, but can be recognized after the applicant adds evidence of use and explains it has acquired distinctive feature through long-time use.

II. Standards Relating to Trademark Adjudication

The standards relating trademark adjudication have being increased from former eight to ten parts, adding two parts of standards for adjudication of trademarks of prior use by others preemptively filed by persons of special interests for registration thereof and for determining interested party.

1. Standards for Adjudication of Reproduction, Imitation or Translation of Others' Well-Known

Marks

The adjudication standards relating to application of Article 13 of the Trademark Law have been further enriched and improved in this revision as to the following:

(i) having introduced the principles for establishing well-known marks

(ii) having deleted the form of evidence of "intangible assets evaluation report", and added those of evidence of "industrial ranking or market share", "State invention patents and proprietary innovations" and "technology" of goods or services using said trademarks as national or industrial standards"

(iii) having made further stringent requirements on evidence, for example, evidence of enterprises' annual reports and amount of tax payment should be submitted in the original or with notarized copies, submitted evidence or proofs of sales contracts or sales invoices proves that the goods/services using said trademarks have been marketed in several provinces

(iv) having specified the requirements on the time of use of a well-known mark: where such a trademark is not registered, evidence and proofs should be provided showing not less than five years of continued use; where such a trademark is registered, evidence and proofs should be provided showing no less than three years of its registration, or not less than five years of continued registration

(v) Having clearly distinguished determination of likelihood of confusion and misleading, and provided for the circumstances of confusion and misleading

(vi) having changed the pre-conditions for the extended scope of protection for registered well-known marks in respect of non-identical or dissimilar goods/services from "likelihood of confusion or misleading into "being apt to mislead the public, so as to possibly cause injury to the interests of the registrant of said well-known mark"

2. Standards for Adjudication of Unauthorized Registration of Trademarks of a Party the Applicant Acts as His or Its Agent or Reprehensive

Relating to application of Article 15, paragraph one, of the Trademark Law, the present revision of the Standards is mainly embodied in incorporating the circumstance of pre-emptive registration of trademarks by agent and representative in the stage of consultation on the agency or representation relations and pre-emptive registration of trademarks by trademark applicant and agent and representative in conspiracy or collusion in the scope of application of Article 15, paragraph one, of the Trademark Law. Besides, regarding determination of authorization of agent and representative in relation to trademark, Two circumstances have been added to the Standards: those where "the party the applicant acts as his or its agent or representative knows and does not express opposition within reasonable time" and where the party withdraws his or its agreement.

3. Standards for Examination and Adjudication on Pre-emptive Registration of Others' Trademarks by Persons of Special Relations

Based on the applicable Article 15, paragraph two, of the Trademark Law, the standards for adjudication of pre-emptive registration of others' trademarks by persons of special relations have been added to the Standards, in which it has been made clear that "contractual relations and relations of business transaction" include "trading relations", "relations of commissioned manufacturing", relations or relatives and those of affiliation". Furthermore, the prior use as stipulated in the Trademark Law includes, in the Standards, actual use in respect of goods and services, and, as well, "actual preparatory activities for entering the market in China". Also, the Standards specify that "a prior user only needs to prove that a trademark has been used, and does not need to prove that the trademark has had certain influence through use".

4. Standards for Adjudication of Injury to Any Other Person's Existing Prior Rights

Regarding Article 32 of the Trademark Law "application for trademark registration shall be filed without injury to any other person's existing prior rights", revisions have been made mainly as follows:

(i) Trade character right (the former "trade name right has been changed into "trade character right"): The revisions are mainly embodied in that

the elements for finding likelihood of a trademark in dispute to cause confusion among the relevant sector of the public has been changed into that, in principle, a trademark in dispute is identical with, or substantially identical with, a prior trade character, the goods in respect of which a trademark in dispute is used are identical with, or limited to, the goods/services actually provided by the trade character right owner. However, in particular cases, it is possible to determine the extent of protection according to the originality, well-knownness of the trademark in dispute and the degree of relatedness of the two parties' goods/services.

(ii) Copyright: It has been made clear that "trademark registration certificate or certificate of copyright registered later than the date of registration of a trademark in dispute should not be evidence for determining established copyright".

(iii) Design Patent Right: The most important change is deletion of the requirement relating to the former application element that "the trademark in dispute and the design are used in respect of the identical or similar goods".

(iv) Name Right: The changes are revising the application element of the former Standards that "the trademark in dispute and another person's name are identical" into that "for the relevant sector of the public, the words of the trademark point to the name right owner"; deleting the content that "whether the trademark in dispute causes injury to another person's name right should

be determined on account of the degree to which the name right owner is known to the public", and, meanwhile, determining injury by a trademark in dispute to the name right owner on a wider term, namely considering both that "the trademark in dispute and another person's name are identical", and that while the trademark in dispute is somewhat different from another person's name in terms of lexical combination, it reflects the other person's main characteristics, and points to the name right owner as far as the relevant sector of the public are concerned".

(v) Portrait Right: The change is mainly addition of distinction between filing another person's portrait in the form of picture and that in the form of drawing for registration of the trademark in dispute in finding injury to the portrait right, that is, for the former, it is protected not on the condition of whether the other person is known to the public; and for the latter, the extent of protection thereof is determined in specific cases on account of the degree to which the other person is known.

(vi) Added Protection of Lawful Prior Rights and Interests: To the new Standards have been added the standards for examination for protection of names, packages and trade dress particular to known goods/services as prior rights and interests, and, as well, the contents of "other lawful prior rights and interests that should be protected".

5. Standards for Adjudication of Obtaining Registration of Trademarks by Fraudulent Means or Other Unfair Means

Regarding the application of Article 44, paragraph one, of the Trademark Law, considerable adjustment has been made in the new Standards of the application element relating to "obtaining registration of trademarks by other unfair means", with the "other unfair means" in Article 44, paragraph one, of the Trademark Law defined as "acts in which the registrants of the trademarks in dispute obtain registration of trademarks by unfair means other than the fraudulent means, disrupt the trademark registration order, infringe public rights and interests, unlawfully take public resources, or seek illicit interests in other ways". Article 44, paragraph one, of the Trademark Law now also applies to the circumstances where "the applicant of a trademark in dispute files applications for registration of several trademarks, and these trademarks are identical with or similar to another person's more distinctive trademark, trade name, and enterprise name, and the applicant of a trademark in dispute files applications for registration of lots of trademarks, obviously without intention to use them".

6. Cancelling Standards for Adjudication of Registered Trademark Cases

The change along the line is mainly adding the specific contents of evidence and circumstances of use that should not be deemed to be one in the meaning of the Trademark Law to the circumstances of non-use of registered trademarks for three consecutive years. The Standards specify that "evidence of use that has

changed the major part and distinctive feature of a registered trademark shall not be considered as use of the registered trademark", "where the trademark registrant uses the registered trademark in respect of the designated goods, registration thereof in respect of goods similar to these goods may be kept valid", and "where the trademark registrant uses the registered trademark in respect of similar goods other than the designated goods, the use shall not be deemed to be use of the said registered trademark".

7. Standards for Adjudication of Trademarks Obtaining Distinctive Feature through Use

The revisions regarding trademarks obtaining distinctive feature through use made in the new Standards are the following: of the factors to be considered in relation to obtained distinctive feature through use, the factors of "the circumstances of manufacturing, marketing and advertising of the goods/services using said trademark" are put in more detail of "sales volume, business turnover and market share" and "advertising and coverage". As for the evidence and proofs, the revised requirement is that "they should be able to show the use of words/device of the trademark, goods/services, date of use, and the user thereof". Said mark users include the trademark registration applicant and the trademark licensor. Further, factual state of the trademark in different cases are distinguished. Cases of rejection reexamination and cases of not allowed registration should be examined based on

the factual state of the time of examination; and cases of invalidation should be examined according to the factual state of the time of filing application for registration.

8. Determination of Interested Party

In this revision, contents of determining interested parties seen in the various parts of the former Standards have been deleted, and a separate part on "determination of interested parties" incorporated, in which it is specified that "licensee of a prior right, legitimate successor and pledgee" are interested parties. It is also made clear that one who is not related when application is filed, but whose interests are involved when a case is being examined should be determined as a interested party.

Q: How to Record a Patent License in China?

A: According to the Implementing Regulations of Chinese Patent Law, any license contract for exploitation of a Chinese patent/patent application which has been concluded by the patentee/applicant with an entity or individual shall, within three months from the date of entry into force of the contract, be submitted to the State Intellectual Property Office for the record. To record a license, the following documents will need to be provided:

(1) Original Patent License Contract or Certified Copy thereof, which shall clearly indicate at least the name and address of both parties, number of patents licensed, title, patent number, application date and grant date of each licensed patent, as well as type, royalty and term of the license.

(2) Legal Identification Certificate of the licensor and licensee, for instance, a Chinese individual shall submit a copy of his Citizenship Identification Card, a foreign individual shall submit a copy of his passport; a Chinese entity shall submit a copy of its business license/legal representative certificate/organization code certificate; a foreign entity shall submit its original business register certificate issued by local government or certified copy thereof.

(3) Power of Attorney originally signed by both parties.

(4) Other Required Documents, For example, if a

Chinese individual or entity licenses a Chinese patent to a foreign individual or entity, the technology import/export register certificate or technology import/export license issued by local branch of Chinese Commerce Ministry shall be also submitted for record of the license. Where a license is to be recorded after three months from the date of entry into force, the licensor and licensee shall additionally sign and submit a declaration that the license has been kept in force ever since the beginning. Where a sub-license is to be recorded, the initial license shall have been already recorded.

If any of the aforesaid documents is in a foreign language, Chinese translation thereof will also need to be submitted to SIPO.

Record of a license will be registered at the patent registry of SIPO, and the following information of the license will be disclosed on the Patent Gazette: licensor, licensee, main classification number, patent number, application date and grant date of the licensed patent, type and term of the license, and the date of record.

Panawell and Three Partners Awarded 2016 Top Patent Firm and Patent Attorneys

After months of evaluation, the results of “2016 Chinese Patent Agency Industry Comprehensive Strength Assessment Event” hold by the China Intellectual Property News were announced in Beijing on January 16, 2017. Our firm has been awarded “Three-Star Patent Agency”, and recognized as one of the best 100 patent agencies in China. Our partner Richard Yong Wang has been awarded “Five-Star Patent Attorney”, and partners George Guangxun GUO and Daniel Qiang HU have been awarded “Three-Star Patent Attorney”.

This assessment event has been hold for five years since 2012. The 2016 Assessment Event has three stages, i.e. preliminary assessment, social assessment and professional assessment. 30 thousands of questionnaires were collected from enterprises, agencies, examination departments of SIPO and local patent bureaus during the 2016 Event, as the reference for assessment.

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