

# 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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## Patent Statistics before SIPO in the First Six Months of 2017

According to the statistics released by the State Intellectual Property Office of China, in the first six months of 2017, SIPO received 1,598,157 applications for invention, utility model and design patents, increasing by 4.9% of those filed in the same period the year before. Of all these applications, 564,907 applications were filed for invention patent, 758,400 for utility model patent, and 274,850 for design patent, increasing respectively by 2%, 11% and -4.1% of those filed in the same period of the previous year. Moreover, of all the applications filed for invention patent in the first six months of 2017, 495,972 were filed by Chinese applicants, increasing 1.7% and accounting for 87.8%; and 68,935 by overseas applicants, increasing 4.7% and accounting for 12.2%.

In the first six months of 2017, SIPO granted a total of 857,591 patents for invention, utility model and design, increasing by 2.6% of those granted in the same period of year before. Of all the patents granted, patents for invention, utility model and design were respectively 209,029, 446,627 and 201,935, increasing by -2.4%, 13.9% and 12% of those granted in the same period of the previous year. Of all the invention patents, 160,446 were granted to Chinese applicants, increasing by 22.6% and accounting for 76.8%; 48,583 to overseas applicants, increasing -2.9% and accounting for 23.2% of the total of grants.

In the first six months of 2017, SIPO received all together 21,631 PCT international applications, increasing by 16% of those received in the same period of the previous year.

*(Source: official website of SIPO)*

## Chinese PPH Statistics until 2016

According to the PPH-related statistics, SIPO received, until December 2016, 19,833 PPH requests, of which 14,760 were regular PPH requests and 5,073 PCT-PPH requests. Applicants made use of the work results of the Japanese Patent Office (JPO) in 9,727 applications, of the United States Patent Trademark Office (USPTO) in 6,423, of the European Patent Office (EPO) in 1,758 and the Korean Intellectual Property Office (KIPO) in 1,574.

And according to the PPH-related statistics from patent offices of foreign countries, the applicants made use of the work results issued by the SIPO in 4,033 applications, of which 2,708 PPH requests were filed with the USPTO, 436 with the EPO, 375 with the JPO and 320 with the KIPO.

*(Source: official website of JPO)*

## Supreme Court Released Special Report on Judicial Big Data of Intellectual Property Infringement

The Information Center and Judicial Cases Research Institute of Supreme People's Court have recently released a special report on judicial big data of intellectual property infringement.

According to the Report, in 2016, the number of intellectual property infringement cases had increased by 41.34% compared with that of 2015, with those of copyright infringement, trademark infringement and patent infringement respectively accounted for 50.20%, 34.17% and 15.63%, and in Guangdong Province, Beijing and Zhejiang Province had been closed the most such cases.

Also, according to Special Report, from 2015 to 2016, a main part of IP infringement cases in China, amounting to 50.88%, were closed in way of withdrawal.

It is known that, in China, the IP infringement cases were on a ever-increasing rise, and, compared with 2015, such cases increased by 41.34% in 2016, and those of copyright, trademark and patent infringement respectively accounted for 50.20%, 34.17% and 15.63%, and in Guangdong Province, Beijing and Zhejiang Province had been closed the most such cases. The IP infringement cases involved interested parties from as many as 28 countries, and most of the interested parties involved in cases of the kind came from the USA, France and Germany. As the Intellectual Property Infringement Report shows, most plaintiffs in those cases were legal entities, accounting for 87.32%, while legal entity defendants amounted to 74.76%. Involved in 23.35% of these IP infringement cases were two or more interested parties. More than 80% of the legal entity or non-legal entity defendants were companies of limited liabilities, and more than 80% natural persons involved in the

infringement cases were private business owners and self-employed individuals.

It is pointed out in the Intellectual Property Infringement Report that in China the average time for hearing an IP infringement case was 105 days, and the time for closing the 9 categories of these cases, such as those involving passing off others' patents, invention patent infringement, and computer software copyright infringement, exceeded the average time. Besides, in only 7.93% of the IP infringement cases, all litigant claims of the plaintiffs were fully supported.

*(Source: Monthly Newsletter of Beijing Patent Agents Association)*

## New Measures for Prioritized Examination Took Effect

The New Measures for Patent Prioritized Examination (hereinafter "the Measures") went into effect on August 1, 2017.

It is provided that the Measures apply to invention, utility model and design patent applications in the phases of substantive examination, reexamination and invalidation.

Moreover, compared with the former Measures, revisions have been made in the new Measures in terms of applicable conditions, subjective qualification of requesters, formalities to go through, process, and termination of the prioritized examination.

### I. Applicable Conditions

1. The former Measures were only applicable to invention patent applications in the phase of substantive examination. By contrast, the new Measures also apply to utility model and design patent applications, and to the proceedings for reexamination and invalidation thereof.

2. Specifically, request may be filed for prioritized substantive examination or reexamination in cases:

- a) where the subject matter of invention/utility model/design relates to the national key development industries, such as energy conservation, environment protection, new-generation information technology, biology, high-level equipment manufacturing, new energy resources, new materials, new energy automobile, and intelligent manufacturing;
- b) where the subject matter relates to the key industries encouraged by the local government;
- c) where the subject matter relates to the fields of internet, big data and cloud computation with fast-updating technologies or products;
- d) where the patent applicant is ready to exploit or has exploited his invention-creation, or where there is evidence showing that other parties are exploiting the applicant's invention-creation;
- e) where the patent application is first filed in China, and then the applicant files an application for the same subject matter in any other country; or
- f) where the subject matter relates to great national and public interest.

3. And request may be filed for prioritized examination in the following invalidation cases:

- a) where there is related patent infringement dispute received by the local intellectual property office for settlement, appealed to the court, or filed with arbitration or mediation organizations for arbitration or mediation; or
- b) where the patent involved is of great national and public interest.

## II. Subjective Qualification of Requesters

1. The patent applicant may request prioritized examination for the substantive examination or reexamination proceeding. Where there are two or more applicants, all the applicants shall give their consent.
2. The invalidation petitioner or patentee may request prioritized examination for an invalidation case. Where there are two or more patentees, all the patentees shall give their consent.
3. Any local intellectual property office, court, or arbitration or mediation organization handling or hearing a patent infringement dispute may request prioritized examination of the related invalidation case.

## III. Formalities

1. Requests for prioritized examination of patent applications and patent reexamination cases shall be made electronically or online.
2. An applicant requesting prioritized examination

of a patent application shall file a request form, prior art, and related proofs. With regard to the invention and utility model applications for the same subject matter filed on the same day, in the request form for prioritized examination the application number of the other application filed on the same day shall be indicated. Except the circumstance where there is a patent application first filed in China and then filed in a foreign country, the request form shall carry recommendation opinions issued by a local branch of SIPO.

3. An interested party requesting prioritized examination for reexamination and invalidation cases shall submit request form and related proofs. The request form shall carry recommendation opinions issued by a local branch of SIPO, with exception to the following two circumstances:

- a) where the request for prioritized examination has been accepted during preliminary or substantive examination of the patent application; or
- b) where a local branch of SIPO, court, or arbitration/ mediation organization is handling or hearing a patent infringement dispute and requesting prioritized examination of a related invalidation case.

4. Where a patent applicant, reexamination petitioner, invalidation petitioner or patentee is a foreign entity or individual, he or it may request prioritized examination if the conditions are met,

and his/its prioritized examination request form may be recommended by the local branch of SIPO where his/ its agency is domiciled.

#### IV. Process

1. For a patent application subject to substantive examination, review opinion on whether or not to grant the prioritized examination is usually sent to the applicant within 3 to 5 working days from the date of receipt of the prioritized examination request. For a patent reexamination or invalidation case, an request to this effect would be reviewed or considered as soon as possible upon receipt of the prioritized examination request, and a corresponding notification be sent, notifying the requester on whether or not to enter the prioritized examination procedure.

2. For a patent application under substantive examination to which SIPO agrees to grant prioritized examination, the first office action is to be issued to an invention patent application within 45 days from the date of agreement, and the substantive examination thereof finalized within a year; examination of a utility model or design patent application is to be finalized, within 2 months; for a patent reexamination case, within 7 months; for an invention or utility model patent invalidation case, within 5 months; and for a design patent invalidation case, within 4 months.

3. The time limit for an applicant to respond to an office action of an invention patent application will be two months from the issue date of OA; that for

responding to an office action of utility model or design patent application will be 15 days from the issue date; and that for responding to an official notification in a reexamination or invalidation case will be the same as that in the regular cases.

## V. Termination of Prioritized Examination

1. For patent applications of prioritized examination having one of the following circumstances, the SIPO may cease the prioritized examination procedure, return the applications to regular routine, and notify the prioritized examination requesters in a timely manner:

a) where, after agreement is given to a prioritized examination request, the applicant files voluntary amendment to the application under Rule 51, paragraphs 1 and 2, of the Implementing Regulations of Chinese Patent Law;

b) where the applicant responds at or after the expiry of the time limit therefor as prescribed in Article 11 of the Measures;

c) where the applicant has filed false materials; or

d) where the patent application is found to be abnormal or irregular during the examination.

2. For prioritized reexamination or invalidation cases having one of the following circumstances, the SIPO may cease the prioritized examination procedure, return the cases to regular routine, and notify the prioritized reexamination or invalidation requesters in a timely manner:

a) where the reexamination petitioner has responded at the expiry of the time limit;

b) where, after agreement is given to a prioritized invalidation request, the invalidation petitioner has supplemented evidence and grounds;

c) where, after agreement is given to a prioritized invalidation request, the patentee has amended the claims in a way other than deletion;

d) where the patent reexamination or invalidation proceeding is suspended;

e) where the examination of the case is pending for a conclusion to be drawn in the examination of any other cases; or

f) where the case is hard, and the Director General of the Patent Reexamination Board has given his approval.

## Overview of Amendments to the Guidelines for Patent Examination in Relation to Invalidation Procedure

In February 2017, the State Intellectual Property Office's Decision on Amendments to the Guidelines for Patent Examination was adopted at the Office's General Meeting. On February 28, the SIPO's Order No. 74, signed by Commissioner Changyu SHEN, was formally issued, and on April 1, 2017, the amended Guidelines for Patent Examination entered into force. Since the Guidelines for Patent Examination are rules and regulations formulated under the Patent Law and the Implementing Regulations thereof, and serve as the basis and standards for SIPO, the amendments thereto are of great realistic significance to amplifying the patent protection system and meeting the needs for providing patent protection for innovations under the new environment. Following is an overview of the amendments made to the Guidelines for Patent Examination relating to the examination of invalidation requests.

### I. Background of Amendment

The invalidation procedure is one for reconfirmation of the validity of patents, in which patentees are given a chance to amend their patent documents to redefine the extent of protection for their patents, and to secure more stable patent rights. Specifically, it was provided in the former Guidelines for Patent Examination that "the way to amend the claims is generally limited to deletion and combination of claims, and deletion of

technical solutions", wherein "combination of claims refers to two or more claims that are not mutually dependent on one another, but dependent on the same independent claim in the text published in the Patent Grant Gazette". In practice, this provision was believed to have strictly limited the ways for patentees to amend the claims in the invalidation procedure, making it unfavorable for them to confront attacks launched by petitioners in the procedure. Patentees hope to be given more flexible ways to amend their applications. In this regard, the amended Guidelines for Patent Examination have positively responded to this demanding voice.

### II. Contents of Amendments

#### 1. Properly Allowing More Ways to Amend Patent Documents

On the basis of "deletion and combination of claims, and deletion of technical solutions" as provided in the former Guidelines for Patent Examination, the "combination of claims" is revised as "further defining claims", and the way of "correcting obvious errors" added. Besides, the definition of "combination of claims" has been deleted, and by "further defining claims" is meant "putting into the claims one or more technical features recorded in other claims for the purpose of narrowing down the extent of protection". In addition, the phrase "amending claims in a way of combination" in the Part "Addition of Invalidation Grounds" in the former Guidelines for Patent Examination, has been adaptively revised as "amending the claims in



ways other than deletion", and the sentence "it is allowable to amend claims in way of combination" in the Part "Limitation on Ways of Amendment" has been adaptively amended as to mean that "it is allowable to amend claims in ways other than deletion".

Specifically, it is provided in the amended Guidelines for Patent Examination that the patentee, when further defining the claims in the invalidation procedure, may both put in one or multiple technical features from another claim. Furthermore, the patentee may both put in technical features from a group of claims belonging to the same independent claim, and put in those from another group of claims belonging to different independent claims. It needs to be noted that allowing amendment made to the claims by putting in technical features recorded in other claims is not equal to allowing arbitrary combination of technical features recorded in the claims as the amended claims are required to satisfy the provisions of the Patent Law and other relevant regulations, such as Article 33 of the Patent Law.

As for the "obvious errors", they should be viewed from the perspective of a person skilled in the art, namely, when a person skilled in the art, reading the claims, description, and appended drawings, sees an obvious error exists in a technical feature in the claims right away; and, meanwhile, can clearly understand the true meaning expressed according to the contents of the description and

appended drawings, together with his general knowledge of the art, a patentee will be allowed to correct the obvious error. After a patentee corrects an obvious error in the claims, and the correction is held valid upon examination, it will be published in the form of separate text of the patent.

## 2. Adjusting Provisions Related to Petitioners' Addition of Invalidation Grounds and Supplementation of Evidence

In addition to allowing more ways to amend patent documents, it is made clear in the amended Guidelines for Patent Examination that "where an invalidation petitioner adds invalidation grounds directed to a patentee's amendments made to the claims in ways other than deletion, he or it should do so only directed to the amendments so made".

For example, in independent claim 1 are recorded technical features A and B, the additional technical features of dependent claim 2 are C and D, those of dependent claim 3 are E and F. If the technical features of the amended claim 1 are A, B, C and F, the petitioner may add the invalidation grounds that the amendment of claim 1 has gone beyond the scope of the disclosure, and lacked support of the description, but cannot add the invalidation ground that some term in technical feature F is unclear.

Moreover, under the new Guidelines, an invalidation petitioner is no more allowed to supplement evidence directed to the patentee's amended claims in way of combination, but allowed to supplement, within the prescribed time

limit, evidence directed to the counter-evidence submitted by the patentee.

As for the reason why the petitioner is not allowed to supplement evidence directed to the amended claims, to effectively address dispute, it is necessary for the petitioner to take full consideration of the patent he requests to be invalidated, get hold of the core technical contents or information, and submit relevant evidence when filing his invalidation request or within the statutory time limit of one month. When the patentee amends his claims by putting in a technical feature recorded in another claim, as he does not introduce any technical feature that was absent in the former claims, the invalidation petitioner only needs to adjust the combination of the evidence he has submitted, without the need to supplement more evidence. However, it needs to be noted that evidence of the kind does not include evidence of general knowledge, which can still be submitted before oral hearing is finalized.

### III. Circumstances of Application

The amended Guidelines for Patent Examination apply to cases that are received after April 1, 2017 and pending in the examination phase. As for invalidation cases, where the date of expiry of the time limit under the three circumstances provided in Section 4.6.3 of the Guidelines for Patent Examination are after April 1, 2017, the amended Guidelines for Patent Examination is applicable to all of them, and the claims are to be amended in the ways specified in the new Guidelines.

### IV. Our Recommendations

Generally speaking, we think the amendments made to the Guidelines for Patent Examination are favorable to the patentees, making it possible for them to amend their claims in a more flexible way to encounter attack launched by invalidation petitioners, say lack of essential technical feature or support of the description, and, as well, avoid narrowing down too much the extent of protection for their claims as a result of limited way of amendment to the claims.

It needs to be pointed out, however, that owing to the too stringent standards practised with regard to amendments going beyond the scope of disclosure, putting in one or more technical features from other claims is often questioned or suspected to be half-way generalization or second summary, and contrary to Article 33 of the Patent Law. It is predictable that under the amended Guidelines for Patent Examination a patentee's amendment to "further define the claims" will be more vulnerable to attacks by invalidation petitioners as an amendment going beyond the scope of disclosure. To cope with this potential challenge, we would like to recommend that the workable way is to state, when drafting a patent application, that the technical features in all the technical solutions are mutually exchangeable or can be used in combination, in order to gain more leeway for amendments to be made afterward.

Of course, while the present amendment to the Guidelines for Patent Examination allows patentees

to make amendments in more ways, they are not allowed to put any content from the description into the claims; hence, they should be cautious and careful in constructing claims when drafting their patent applications, so as to hierarchically arrange their patents to secure an all-round protection and to stand the test of time in the following years.

Besides, as for invalidation petitioners, the preceding amendments make invalidation less predictable: it is less difficult predicting a technical solution likely to be held valid after invalidation, which is rather disturbing to any defendant entangled in a civil dispute over patent infringement. As far as we can see, the practice that can set off this unfavorable influence to some extent is for a petitioner to collect, as much as possible, evidence for invalidation request when filing it, and to make sure that the evidence covers each and every technically contributing technical feature in the claims.

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Mr. Xu was an examiner of mechanical invention in the State Intellectual Property Office and the Patent Reexamination Board from 2008 to 2015, and worked as a patent attorney and lawyer in P.C. & Associates from 2015 to 2017. Mr. Xu joined Panawell & Partners, LLC in February 2017.

## Review of Hindered Application for Registration of "MIJIA" Trademark Filed by MI Technology Co., Ltd.

- How Enterprises Shall Make Their Plan for Filing for Trademark Registration

Recently, the Beijing Higher People's Court has made the second-instance ruling in the appellant case of the administrative disputes over a trademark application rejection reexamination, finally upholding the Beijing Intellectual Property Court's former decision, and concluding that the "MIJIA" trademark No. 16966368, the trademark in suit, filed by MI Technology Co., Ltd. (or MI for short) for registration was similar to the five recited or reference trademarks registered or filed earlier, and to be registered in respect of the same and similar goods. Also, the evidence MI provided in the case was insufficient to prove that the goodwill of its prior-registered base trademarks could extend to the trademark in suit in the present case; hence the Beijing Higher People's Court ruled that the Trademark Review and Adjudication Board (TRAB) and the former Beijing Intellectual Property Court had made a right determination that the trademark in suit was similar to the recited trademarks in respect of one or similar goods, and, accordingly, rejected MI's appeal, and maintained the former court decision, thus having finalized the administrative case involving the "MIJIA" trademark.

As the above final court ruling shows, MI's filed application for registration of "MIJIA" trademark

(No. 16966368) in respect of goods in class 9, such as computer peripherals, quantity display, facsimile apparatus, scales, signal lamp, smart phone, headset, pressure gauge, cable, chips (integrated circuits), electric switches, video display, remote control device, personal accident prevention device, electronic doorbell, spectacles (optical), battery and electronic gloves, was hindered by prior rights in the five prior trademarks, such as the "MIJIA" trademarks (Nos. 3074704 and 11391377), the "米加 MIJIA" trademark (NO. 11850074), the "MIJIA米家米家家天下" trademark (No. 16136374), and "MIJIA米吉提" trademark (No. 15594995).

Incorporated in 2010, MI is an innovative technology enterprise dedicated to the design and manufacture of smart phones and internet television sets, and construction of intelligent residence ecological chains. Since its incorporation, MI, with the help of its highly cost-effective smart phone products and online promotion model, has made rapid progress in its business operation, and even faster developments in the fields of intelligent home infrastructures, such as internet set-top boxes or units and internet smart televisions sets. Today, MI is reputed as a product supermarket with ever-increasing product lines, and ever-expanding ecological chains. To protect so many enterprises and brands of products, MI has being attached great importance to trademark planning and coverage, sparing no financial resources to apply for registration of a sufficient number of trademarks. As the data show,

MI has, so far, registered as many as 2,186 trademarks with the Chinese Trademark Office in respect of substantially all classes 1 to 45. Of course, the bulk of the trademarks have been registered in respect of mobile phones, computer software and electronic products in class 9; advertising, marketing and data-related services in class 35; communication services in class 38, and network technological services in class 42. In all these trademarks are incessantly used the Chinese word "米" (an abbreviation of the English words "mobile internet", pronounced "mi" and meaning "rice" in Chinese), such as 小米 (pronounced "xiao mi" and meaning "millet" in Chinese), 大米 (pronounced "da mi" and meaning "rice" in Chinese), 紫米 (pronounced "zi mi" and meaning "purple rice" in Chinese), 粟米 (pronounced "su mi" and meaning "corn or maize" in Chinese), 虾米 (pronounced "xia mi" in Chinese and meaning "peeled, dried small shrimp"), 非米 (pronounced "fei mi" and meaning "non meter" or : non-rice" in Chinese), 绿米 (pronounced "lv mi" and meaning "green rice" in Chinese), 纯米 (pronounced "cun mi" and meaning "pure rice" in Chinese), 万米 (pronounced "wan mi" and meaning "a ten-thousand meter" in Chinese), 红米 (pronounced "hong mi" and meaning "red rice" in Chinese), 兰米 (pronounced "lan mi" and meaning "lanmi" in Chinese), 米粒 (pronounced "mi li" and meaning "rice grains" in Chinese), 米线 (pronounced "mi xian" and meaning "rice noodle" in Chinese), 黑米 (pronounced "hei mi" and meaning "black rice" in Chinese), 米粉 (pronounced "mi fen" and meaning

“ground rice or rice flour, or rice noodle” in Chinese), 美米 (pronounced "mei mi" and meaning “pammy” in Chinese), 青米 (pronounced "qing mi" and meaning “green rice-grain” in Chinese), 清米 (pronounced "qing mi" and meaning “rice cleaning” in Chinese), 爆米花 (pronounced "bao mi hua" and meaning “popcorn or puffed rice” in Chinese), 万米 (pronounced "wan mi" and meaning “a ten-thousand meter” in Chinese), and even 小麦 (pronounced "xiao mai" and meaning "wheat" in Chinese).

MIJIA (or “米家” pronounced “mi jia” and meaning “rice family” in Chinese) is a brand of MI’s eco-chain products. In March 2016, MI released its brand-new eco-chain brand “MIJIA” (written as “米家” in Chinese), specially in respect of MI’s products of its supply lines while the former MI brand of its own MI products. The name of “MIJIA” is derived from the full pronunciation of the Chinese words “MI” (written as “米”) and “JIA” (written as “家” and meaning “home” in Chinese) in the phrase “MI intelligent home”, in its overall shape similar to a shield, with the logo interpreted as the intelligent home, provides trustworthy protective measures in the hope of making consumers’ family life more delightful. While introducing the brand “米家” and its pronunciation “MIJIA”, MI then immediately filed an application for registration of the “米家” and “MIJIA” trademarks, and , as well, of a series of similar trademarks, such as “咱们家 (pronounced as “zan men jia” and meaning “our own home” in Chinese), 咱家 (pronounced as “zan jia” and meaning “my

home” in Chinese), 我家 (pronounced as “wo jia” and meaning “my home” in Chinese) and 我们家 (pronounced as “wo men jia” and meaning “our home” in Chinese).

Unfortunately, it was by no means plain sailing for MI to apply for registration of the “MIJIA” trademark in respect of its most important products. The Trademark Office, reciting the above prior trademarks, rejected the “MIJIA” trademark (No. 16966368). MI remained unbending toward the rejection, first requesting the Trademark Review and Adjudication Board (TRAB) for reexamination of the rejection, then bringing an administrative lawsuit in the Beijing Intellectual Property Court upon receipt of an unfavorable rejection adjudication from the TRAB, and appealing, when lost its case in the former court, to the Beijing Higher People’s Court, which finally decided to have rejected its appeal and upheld the TRAB’s adjudication and the Beijing Intellectual Property Court’s ruling. In its persistent struggle in the entire administrative and judicial proceedings for trademark right determination and grant under the Trademark Law, MI was said to have been fighting on despite repeated defeats or setbacks.

To the knowledge of this writer, it was not the case that MI knew nothing about the prior-registered trademarks, namely the recited trademarks, before it filed its application for registration of the “MIJIA” trademark. Data showed that MI had filed more than 2,000 applications for trademark registration, nearly 400 applications for register

of trademarks in respect of products in class 9. For this reason, MI, very much clear about the trademark registration procedure, must have conducted the relevant search before filing its application, but still applied for registration of the "MIJIA" trademark in respect of goods in class 9, which showed that MI was quite confident, firmly believing that, with its goodwill in its prior registered base trademarks, its strong corporate strength and force of promotion, it would surely overcome the obstacles imposed by the prior rights. Confident as MI was, it encountered obstruction in face of the first-to-file doctrine established in the Chinese Trademark Law for determination of the trademark right.

While the present situation is unfavorable to MI, it has by no means been entangled in an unsolvable dilemma for an enterprise. Directed to the final ruling made by the Beijing Higher People's Court, MI should change, in a timely manner, its idea about its overall planning of, and arrangement for, trademark registration, and have the "MIJIA" trademark registered in respect of class 9 in an alternative way. This writer knows that MI has actually registered the Chinese "米家" trademark and the combination trademark of "米家MIJIA" in respect of goods in class 9. To overcome the registration obstacles, MI needs to adopt, according to the various circumstances, different measures to attack or break through the obstacle imposed by the prior registered trademarks one by one.

Some of the recited trademarks have been in registration for three years. MI may look into them to find out whether they have been in real use in respect of goods they had registered for. If these trademarks had not been sufficiently used, MI may request to cancel the registration thereof on account of non-use for three consecutive years under the Trademark Law. If the registrants of these trademarks fail to provide evidence of use, or cannot explain the proper reason for the non-use, it would be quite easy for these trademarks to be cancelled by the Trademark Office, and they would no longer stand in the way, as the prior rights, to hinder MI's registration of the "MIJIA" trademark.

As for the trademarks earlier filed, and yet to be approved for registration, MI may consider to file opposition thereto in the time of publication in the Trademark Gazette. In its opposition, MI may adduce evidence to show that its own "MIJIA" trademark is one that has been in use, and has had certain influence. If there exists further evidence proving that the other parties have pre-emptively, in bad faith, registered their trademarks by unfair means, it is very much possible to get rid of these prior filed trademarks by way of opposition.

For trademarks now registered and in use, MI may also request the TRAB to invalidate them. Should the invalidation means fail, MI might consider to consult with the prior trademark registrants to buy their trademarks, and then have the trademarks assigned at the Trademark Office, and own the

prior trademarks. Assignment through consultation is a good solution, which would allow MI to own the "MIJIA" trademark as it should be.

Where it is impossible for the "MIJIA" trademark to be smoothly approved for registration at present, it is possible for MI to face the risk of infringing upon others' exclusive right to use the prior registered trademarks. For this reason, MI may consider to apply for registration of some trademarks similar or homophonic to the "MIJIA" trademark, or in its English form, such as "MIHOME", "MEJIA", "MIZUMIJIA" and etc., to enlarge its "米家" trademark series.

Planning its corporate arrangement for registering trademarks for its important brands, MI should learn the lesson of the nature (e.g. from the cases of disputes over "iPad" trademark and "Weichat" trademark, to mention just a few) and take varied strategies and means to gain comprehensive protection. As has been shown in the final ruling in the administrative lawsuit involving the MI's "MIJIA" trademark, "to institute panel action all the way through the administrative to the judicial proceedings" is not the only best solution to address registration obstruction to obtain trademark registration. It is advisable for MI to change its idea and ways, and take different perspective and adaptive means (say, the above-mentioned cancellation of trademarks not in use for three consecutive years, opposition, invalidation, assignment, and change in the word and design of its own trademarks) to acquire

protection for its corporate trademarks. On the way to secure trademark registration, things are in constant change as the Chinese saying goes that "the mountain is like a range when seen from the front and a peak when looked at sideways". MI is hoped to realize that "all roads lead to protection". Other businesses may draw a lesson in this case, and make proper planning for their own trademark registration and protection.

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Ms. Tian received her bachelor degree of law from University of Political Science and Law in 1996, and qualified as a trademark attorney in 1998.

Ms. Tian started to work with China Sinda Intellectual Property Limited in 1996. Since 1999, Ms. Tian worked with Beijing Sanyou Intellectual Property Agency Ltd. as a partner, director of the Trademark Department and trademark attorney. Ms. Tian joined Panawell & Partners in March 2015.

## How to request for suspension of patent application/patent?

When a ownership dispute over patent application/patent is accepted by a local intellectual property administrative authority or the Court, or when the Court has ordered adoption of measures of property preservation for patent application/patent right, the State Intellectual Property Office of China may suspend the procedures of the patent application/patent upon request of a party concerned in the dispute or under the request of the Court.

To request for suspension of a patent application/patent, a request form shall be submitted to SIPO, accompanied by the original or duplicate copy of the notice for acceptance of dispute issued by the local intellectual property administrative authority or the Court with the patent application number thereon.

Once the suspension request is accepted by SIPO, the suspension will start from the date of submittal of the request, and last for one year. If the ownership dispute is not settled within the term, the requestor may file an extension request by end of the one-year suspension, accompanied by a certifying document issued by the local intellectual property administrative authority or the Court for the reason why the dispute is not concluded. Patent suspension may be extended once, for no more than six months.

## How to record the pledge of patent right?

Under the Chinese patent rules, pledge of patent right shall be recorded before the State Intellectual Property Office. The right of pledge will take into effect on the recordal date, and if the pledger fails to fulfill obligation, the pledgee will have the priority of compensation.

The items to be published for recordal of pledge include the effective date of the recordal of pledge, recordal number, pledger, pledgee, the main classification number, patent number, title of invention, application date, and grant date of the patent.

The documents to be submitted for recordal of pledge are as follows: 1) request form, 2) original pledge agreement disclosing the values of debt and pledge, 3) identification certificate of the pledger and pledgee, 4) power of attorney originally executed by the pledger and pledgee, 5) copy of the identification card of the agent who is entrusted with recordal of pledge, and 5) Chinese translation of any of the aforesaid document in foreign language.

For your information, pledge can be recorded only for granted patent, not for pending patent application. If a patent is owned by multiple patentees, all the patentees shall be listed as the pledger. To record any patent assignment during the period of pledge, consent of both the pledger and pledgee will be required.



## Panawell Attended ASEAN Trademark Forum

Partner Ms. Michelle Mei TIAN attended “2017 China Trademark Festival” in Guilin, Guangxi from September 1 to 4, and held the East Asian Trademark Forum on September 2. On the Forum, renowned IP lawyers from China, Malaysia, Indonesia, Singapore, Thailand, Philippine and other countries discussed and studied the current issues concerning trademark protection in East Asia.



## Panawell Summer Outing

The firm went to the famous summer resort Chengde for summer outing from August 18 to 19, visiting the Mountain Resort and Puning Temple, and watching the performance “Kangxi Ceremony”.



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