

Newsletter



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2017 年刊

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In this issue

➤ **“Trademark Examination and Review Standards” Revised**

On January 4, China Trademark Office announced the newly revised "Trademark Examination and Review Standards" on its official website.

The new "Standards" incorporate new contents such as examination standards of sound marks, application of Notice of Examiner's Opinion, application standards of Paragraph 4 of Article 19, Article 50, and Paragraph 2 of Article 15, standards for determination of interested parties, as well as partial adjustment to the original standards of Article 10.

➤ **Chinese Trademark Filing Volume Ranked First in the World For 15 years in a Row**

"Provisions of the Supreme People's Court Concerning the Trial of Administrative Cases Involving Granting and Determination of Trademark Rights" (the Provisions) was recently announced and will come into force commencing March 1, 2017.

The Provisions apply to administrative litigations filed by the interested parties dissatisfied with decisions made by Trademark Review and Adjudication Board on review of trademark refusal, review of trademark opposition, review of trademark cancellation, invalidation and invalidation review cases, the number of which has increased rapidly especially over the past two years.

In regards to Article 10, Paragraph 1 (8) of China Trademark Law, namely, marks that are harmful to the socialist morality or have other ill influences shall not be used as trademarks, the Interpretations make it clear that

1) Marks or its composing elements that may have passive and negative affects on social and public interests and public order of China may be considered as having "other ill influences";

2) Marks composed of the personal names of political, economic, cultural, religious, national and other public figures' names; and

3) Marks containing the name of P.R.C. but not identical or similar in its whole, may also be considered as having "other ill influences" if the registration of such marks may damage the dignity of the country.

According to the Provisions, for trademark disputes based on personal name rights, where the relevant public thinks the disputed mark refers to the natural person concerned, and is apt to believe the products bearing the disputed mark are licensed by or connected with the natural person, the court shall affirm that the trademark has infringed on the natural person's right of name. Where the interested party claims its right of special names such as pen names, stage names or translations that have enjoyed certain publicity and established corresponding relationship with the natural person, so that the relevant public refers it to the natural person, the Court shall support such claim. Where the interested party claims its rights of trade name, which has enjoyed certain publicity, when a third party applies for registration of a trademark similar or identical to the trade name without permission, thus apt to mislead the relevant public and confuse the source of origin, the Court shall support such claim
(Source: People's Daily)

➤ **IP5 PPH Test will extend for another 3 years effective Jan 6, 2017**

In line with the requirements of World Intellectual Property Organization (WIPO), all members of Nice Union shall adopt the 11th Edition of Nice Classification officially commencing January 1, 2017. On this basis, China Trademark Office has adjusted and published the local "Guidebook for Similar Goods and Services". It shall apply to all trademark applications filed on or after January 1, 2017; while for those filed before the date, the 10th Edition shall apply.

Classification Revision (in Chinese)

<http://sbj.saic.gov.cn/sbyw/201612/W020161229297779411734.docx>

(Source: The Trademark Office of State Administration of Industry and Commerce)

Cases in Spotlight

➤ **Beijing IP Court Ordered the Highest Indemnity of 50 Million, with Attorney Fee Calculated by Hour for the Very First Tim**

The plaintiff (WatchData) and the defendant (Hengbao) are both manufacturers of smart password key products. The plaintiff, owner of invention patent ZL200510105502.1 in respect of “a physical authentication method and an electronic device”, discovered that the defendant was manufacturing and selling several types of USB key products to dozens of banks in China, which, along with the physical authentication method adopted when using these products to perform online banking transactions, have fallen into the protection scope of the plaintiff’s invention patent, and thus constituted infringement. The plaintiff filed a lawsuit at Beijing IP Court on February 26, 2015, requesting the court to order the defendant stop the infringement act immediately and pay an indemnity of 49 million yuan for economic loss compensation together with 1 million yuan for reasonable litigation cost.

Beijing IP Court found that the USB key products at issue and the physical authentication method adopted thereby in performing online banking transactions both fall within the protection scope of the plaintiff’s patent right, and therefore the defendant has constituted infringement on the plaintiff’s patent right. In determining the amount of compensation for infringement and the amount of compensation for lawyers’ fees, the Court adopted the following methods:

1.The amount of compensation for infringement damages shall be the actual numbers of infringing products multiplied by the reasonable profit of each patented product.

2.In view of the fact that the defendant refused to provide its profits earned from selling the infringing product to Bohai Bank, Zhejiang Rural Credit Union (Cooperative Bank) and Hubei Bank, the amount requested by the plaintiff shall be supported.

3.The charge-by-hour method adopted by law firms can be used for calculating the reasonable legal expenses in this case; factors such as the necessity of an attorney for the case, the complexity of the case and the actual input from the lawyer shall be taken into consideration to decide whether the plaintiff’s claim of legal expenses is reasonable.

Based on the above, Beijing IP Court supported the plaintiff's claim of 49 million yuan's economic compensation in full amount. This is the highest indemnity amount ever decided by Beijing IP Court since its establishment. With regard to the one million legal expenses claimed by the plaintiff, Beijing IP Court held that the charge-by-hour method proposed by the plaintiff in this case is a common method adopted in legal service field, which does not violate any law and regulations, can be used as the basis for calculating the reasonable lawyer fees. This is also the first time for the court to adopt charge-by-hour method to calculate legal fees in a verdict.

RSMK news

➤ Symposium on the development and application of key technologies for functional foods

On July 14, 2013, Li Ji, an intellectual property consultant of the company, went to Hangzhou to attend a seminar on the development and application of key technologies of functional food, and made a keynote report entitled "Problems and Strategies and Skills in the Application of Functional Food Patents". The report focuses on the key issues of patent protection and application, and extensively discusses and exchanges with the delegates.