

Highlights of May



Chang Tsi & Partners, Band-1 Law Firm by LEGALBAND

On 18 May 2022, Chang Tsi & Partners was selected as the 2022 Leading Law Firm of China by LEGALBAND (BAND 1 in both IP-Litigation and IP-Non-Litigation).

Chang Tsi & Partners Recognised by IP STARS

Chang Tsi & Partners has been recognised by Managing IP's IP STARS 2022 for both Trademark Prosecution and Trademark Contentious matters.

Michael Fu Invited to Special Meeting between Beijing IP Court and INTA

Michael Fu, Partner of Chang Tsi & Partners, attended the bilateral meeting between Beijing Intellectual Property Court and International Trademark Association, and delivered a speech about the letter of consent.

Spring Chang Invited to Discuss Metaverse and NFTs at IP Conference

The Metaverse and NFTs are in the spotlight and have sparked heated legal discussions recently. In this regard, Spring Chang will join the Intellectual Property Conference held on 27 May 2022 to deliver a speech on Metaverse and NFTs in China.

Chang Tsi Finally Back in INTA 2022

We were excited to meet with our clients and friends again at the 2022 INTA Annual

Meeting after three years of covid outbreak.

New Dispute Resolution Mechanism for Pharmaceutical-related Patent Disputes

This article introduces the newly established resolution mechanism for drug patents, based on the Article 76 of China's Fourth Amendment of Patent Law.

China's Measures to Crack Down on Malicious Trademark Registrations

China has been taking multiple measures and continued efforts from the perspectives of legislation, administrative protection, and judicial protection to crack down on malicious trademark registrations.

Holiday Notice

Our offices and IP Administrations will be closed for Public Holiday on 3-5 June 2022. All deadlines falling during the holiday period will be automatically extended. In case of urgent matters, please submit your instructions before the holidays.

Chang Tsi & Partners Recognised as 2022 Gold- Band Law Firm by WTR 1000

On 18 May 2022, Chang Tsi & Partners was selected as the 2022 Leading Law Firm of China by LEGALBAND (BAND 1 in both IP-Litigation and IP-Non-litigation).

In addition, Simon Tsi and Spring Chang were ranked "BAND 1" in IP-Litigation, and IP-Non-Litigation respectively.

LEGALBAND, as a part of Accurate Media Group headquartered in Hong Kong, has provided their rankings of the leading commercial law firms for different jurisdictions, regions, legal markets and practice areas.

To issue the most reliable ranking publication to the market, the research team of LEGALBAND has spent months carrying out interviews with the clients, independent research and studies of submissions.

Established in 2002, Chang Tsi & Partners is a "National Outstanding Law Firm (nominated by the Ministry of Justice of China)" with a strong reputation in intellectual property and litigation. In addition to its deep expertise in trademark, patent, copyrights and other traditional areas of intellectual property, Chang Tsi & Partners also has as been focusing on highly specialized business areas, such as IP Commercial and corporate law.

This award once again serves as evidence for the firm's comprehensive strength in IP area and good reputation in the industry.

Michael Fu Invited to Special Meeting between Beijing IP Court and INTA

Michael Fu, Partner of Chang Tsi & Partners, attended the bilateral meeting between Beijing Intellectual Property Court and International Trademark Association, and delivered a speech about the letter of consent.

If you have any queries about this topic, please contact Michael by email Michaelfu@changtsi.com.

Spring Chang Invited to Discuss Metaverse and NFTs at Intellectual Property Conference

The Metaverse and NFTs are in the spotlight and have sparked heated legal discussions recently. In this regard, Spring Chang, Founding Partner of Chang Tsi & Partners, will join the Intellectual Property Conference held on 27 May 2022 to deliver a speech on the first milestone case regarding the Metaverse and NFTs in China. With the soaring economic and social development in China, Spring Chang has had the privilege to be at the forefront of new emerging technologies such as artificial intelligence, virtual reality, augmented reality, etc., and would be more than honoured to share her futuristic views about the protection of intellectual assets in the new digital environment.

Join us on 27 May 2022 from 4.15 pm to 5.55 pm (GMT + 8 | KL/SG/Beijing Time) to hear more! Michael Fu Invited by INTA to Present on China's IP Judiciary

Chang Tsi Finally Back in INTA 2022



From 30 April to 4 May 2022, the INTA team of Chang Tsi & Partners this year (Spring Chang, Ron Tsi, April Xu, Sue Gui) were finally back in INTA in beautiful Washington DC after three years of covid outbreak. We were excited to meet with our colleagues and close friends in person discussing recent legal updates on each jurisdiction and what we can do more to better protect IP for our clients. For our clients whom we could not meet in person this time, we have arranged online meetings and training sessions to walk through the change of China trademark law and to discuss their corresponding strategies.

New Dispute Resolution Mechanism for Pharmaceutical-related Patent Disputes

Michael Wu | *Partner*

China's Fourth Amendment of Patent Law has been effected since June of 2021, Article 76 of which generally stipulates the early dispute resolution mechanism for pharmaceutical-related

patent disputes, allowing drug patent holders to request an administrative determination from the people's courts or patent-related administration under the State Council. China's Supreme People's Court later issued a judicial interpretation, stating that the Beijing Intellectual Property Court has exclusive jurisdiction over the above cases. Also, the mentioned "patent-related administration" is CNIPA.

On 15 April 2022, Beijing IP Court made its decision on the very first lawsuit on pharmaceutical patent linkage in China, namely Japan's Chugai Pharmaceutical Co., Ltd. v.s. Wenzhou Haihe Pharmaceutical Industry. The court decided that the generic drug did not fall within the scope of the patent protection.

In addition, the recently closed administrative cases involved three patents related to Oxycodone Hydrochloride sustained-release tablets of Purdue Pharma, which requested CNIPA to confirm that the generic drugs produced by Yichang Renfu Pharmaceutical Industry fall within the scope of the patent protection. CNIPA has reviewed but rejected the request.

According to official sources, CNIPA has received 59 requests for administrative decisions, 39 of which have been under review.

All four patent linkage cases released do not fall within the scope of the patent protection, as shown above.

China's Measures to Crack Down on Malicious Trademark Registrations

Michael Wu | *Partner*

Yang Luo | *Attorney at Law*

For years, malicious trademark registration has not fully stopped in China. This happens mainly because in China the principle of first-to-file is applicable and the cost for trademark registration is relatively low. For the purpose of enhancing trademark protection and creating a friendly business environment, China has been taking multiple measures and continued efforts from the perspectives of legislation, administrative protection, and judicial protection to crack down on malicious trademark registrations.

From the perspective of legislation, **in 2019, China amended the Trademark Law for the fourth time.** In particular comprehensive system to combat malicious squatting and hoarding of trademarks has been established therein. That "malicious applications not intended for use shall be refused" is newly added in Article 4. Article 19 increases the obligations of trademark agents to review applications, and stipulates that agents may not accept malicious applications to register trademarks not intended for use. **Articles 33 and 44 together provide for this circumstance as a reason for filing an opposition or invalidation.** Meanwhile, the amended Trademark Law stipulates punishments for trademark agents who violate the amended Article in Article 68. Based on the amended Trademark Law, China National Intellectual Property Administration (CNIPA) issued the Several Provisions on Regulating the Application for

Registration of Trademarks and Special Action Plan for Cracking down on Malicious Trademark Registration on Oct. 11, 2019 and Mar. 15, 2021 respectively to further provide the authorities with fundament and guideline on how to curb malicious squatting and hoarding of trademarks. Additionally, **in 2022, China National Intellectual Property Administration also amended the Guide on Trademark Examination and Adjudication** to make sure that each procedure of trademark examination and adjudication will be in line with the current Trademark Law. Especially, how to understand and apply the above Articles is explicitly explained therein and some typical cases are introduced in detail.

From the perspective of administrative protection, the authorities in China have paid more efforts in collecting the clues of malicious trademark registration cases proactively. Meanwhile, in accordance with Article 4 of the amended Trademark Law, examiners are entitled to refuse the malicious trademark applications directly and proactively and the right owners do not need to file oppositions against such applications after they are published. Furthermore, now entities who filed for malicious trademark in extremely bad faith will likely be recorded in the List of Entities with Seriously Illegal and Dishonest Acts. In addition, during the past few years, China has been conducting the "Blue Sky" special rectification actions nationwide, where agents which conducted malicious squatting activities shall be punished and their trademark agency business will be stopped in some severe situations. Moreover, the authorities have also strengthened publicity and education about cracking down on malicious trademark registration, by releasing typical cases and exposing typical infringers. All these

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measures have turned out to be very effective and successful. In accordance with the statistics released by the State Council Information Office of the People's Republic of China, there are 482,000 malicious trademark applications in total refused in 2021. Among them, 1,111 squatting applications such as “全红婵(Quan Hongchan in Chinese)”.were refused via quick examination procedures. 1,635 registrations were invalidated by the ex officio actions proactively initiated by CNIPA. Through the “Blue Sky” special rectification actions, in 2021, 23,000 agents in China have completed their self-inspection and submitted the corresponding reports. 130 agents were punished for being the agents of malicious squatters and the trademark agency business of 3 agents were even stopped directly. **Around 2,070,000 suspected online transactions about malicious trademarks were removed from the platforms.**

From the perspective of judicial protection, there are more and more cases in recent years where the real right owners' rights are

protected and untenable claims made by squatters are dismissed by the courts. First, the malicious trademark registrations, which have not been put into actual commercial use but applied for the purpose of obtaining illegal profits, shall not be protected in trademark lawsuits, such as *Ambitmicro Technology Limited v. Ambiq Micro, Inc & Fujitsu Semiconductor (Shanghai)Co., Ltd.* Second, malicious squatting and abuse of trademark prosecution actions can be regarded as unfair competition, such as *BRITA GMBH & BRITA China Co., Ltd. v. Shanghai Kangdian Industrial Co., Ltd.* Third, for malicious trademark registrations which are invalid during civil litigation, more courts intend to identify that the use of such registrations during its valid period shall also be recognized as infringing use, such as *Cadbury UK Limited v. Yi Kou Lian (Xiamen) Food Co., Ltd & Beijing Hui Fu Yuan Food Trade Co., Ltd.* This further enhances the protection of the rights of the real rights owners.



Michael Wu, Partner

Mr. Michael Wu specializes in matters related to patent, copyright, trademark, and unfair competition litigation, enforcement of IP rights and more. Wu has a unique understanding of mobile telecommunications patent litigation, software patent litigation, and copyright litigation related to the internet. Wu obtained his Bachelors and Masters Degrees in Material Science from Wuhan Technology University in 1996 and 1999, respectively. He further pursued a J.M/J.D. degree at Peking University in 2014, where he systematically studied

Chinese and American law. Prior to practicing law, Wu spent ten years in the field of mobile telecommunications, and founded a company specializing in mobile telecommunication services.

He has been invited to serve as a member of the China Global Advisory Council (GAC) of INTA for 2022 - 2023. He is also a frequent speaker of IP seminars and client training courses regarding China's IP strategy.