Chang Tsi & Partners
铸成律师事务所

Monthly Newsletter

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Chang Tsi & Partners Credited by Skechers as Trustworthy Partner of 2022

Ason Zhang

In all kinds of infringement cases, Chang Tsi & Partners has made use of our strengths, flexibly mobilized resources in all fields, formed a capable team to connect with customers, and obtained results beneficial to customers through detailed legal research and in-depth understanding and analysis of the case. Our fruitful results had been extensively reported by the People's Daily, China Intellectual Property News and other well-known media.

Over the years, Chang Tsi & Partners has not only helped customers effectively protect their intellectual property rights in China, but also facilitated cracking down on IP crimes; Through in-depth cooperation, we also helped our customers to establish and improve a systematic and full-process enterprise intellectual property management model.

2022年度
值得信赖的
合作伙伴

ABOUT SKECHERS

SKECHERS is a U.S. lifestyle and performance footwear company founded in 1992. The company went public on the New York Stock Exchange in 1999. The brand name SKECHERS originated from a South California slang, which means “energetic youngsters”, representing the young groups leading fashion and extraordinary lifestyle. The company is the owner of its “S” design and series of “SKECHERS” trademark, which has a history over 20 years.

After long-term and widely worldwide use, the brand has become famous footwear brand. Until 2017, SKECHERS products are available in more than 160 countries and territories and its annual sales record reached over $4 billion.

The First Case of Skechers

The Defendant Spieth & Wensky, without SKECHERS authorization, used the variant of the mark licensed by Quanzhou Bohai Shoes Industry Co., Ltd. in manufacture and distribution of products. All these conducts constitute trademark infringement and unfair competition. The first instance judgment overruled all of SKECHERS claims. At this crucial moment, CT was entrusted to represent SKECHERS for appeal. In the appeal, on one hand CT emphasized the relationship between the 2 Defendants and the trademark owner's legal liability. On the other hand, CT collected bunch of evidence attesting SKECHRES reputation in China and how the Defendants inappropriately use the licensed mark, maliciously copied SKECHERS design and conducted false presentation. CT particularly stressed the Defendants' long-term bad faith of infringing other IPRs. This strategy made great success. The appeal court finally ascertained that the 2 Defendants' conduct constitute trademark infringement and unfair competition, revoking the first instance and supporting all of SKECHERS claims. The 2 Defendants were ordered to be jointly and severally liable for monetary compensation of CNY 3 million. Now the final judgment has become effective.

The Second Case of Skechers

The case against "SKETCH" is an invalidation case. The application of Target Mark is an imitation of the applicant's well-known marks “SKECHERS” and “SKECHERS in Chinese”. Although the Target Mark had been registered for more than 5 years when we filed the invalidation, we still successfully invalidate the Target Mark through proving well-known status of the client's "SKECHERS" and "SKECHERS in Chinese" mark, and bad faith of owners of the Target Mark. In the invalidation decision, the TRAB recognize well-known status of the applicant's “SKECHERS” and “SKECHERS in Chinese” mark. Specifically, the applicant's “SKECHERS in Chinese” mark has been recognized as well-known mark for the first time.

Over the years, Chang Tsi & Partners has adhered to the principle of "customer first, service first", provided various customized legal services for our customers. Our lawyers have rich experience in intellectual property protection, and can provide customers with professional services such as trademark, patent, copyright and other intellectual property application, management, and rights protection. We will continue to provide customers with high-quality services and create a better future with our customers.

Michael Fu Invited to INTA 2023 Annual Meeting Reception Event

At the beginning of the new year, the International Trademark Association (INTA) will hold a reception event in Beijing for its upcoming 2023 annual meeting. Etienne Sanz de Acedo, the CEO of INTA, will also deliver an online speech for this event. Michael Fu, Partner from Chang Tsi, has been also invited to attend the event and share the latest perspectives on the Draft Amendment to the Trademark Law.

Michael Fu specializes in intellectual property law and has over 15 years of experience in the field. He has worked with many Fortune-500 companies and is widely recognized by clients. At the meeting, Michael Fu will discuss the Draft Amendment with legal practitioners from around the world, share related experiences, and explore new trends in trademark development.

The International Trademark Association (INTA), the biggest community in trademark industry, was established in 1878 and has a history of 135 years. Its international influence and prestige have attracted more than 6,300 multinational companies, international trade groups, law firms, and various international consulting and research institutions to become its member.

The 145th annual meeting of INTA will be held in Singapore from May 16th to 20th, 2023. This marks the second time that the INTA annual meeting will be held in Asia and the first time in a Southeast Asian country. Tens of thousands of intellectual property professionals will attend the meeting, and outstadning lawyers and professionals of Chang Tsi & Partners will aslo join this grand event. We are happy to meet our clients and friends, share the latest trends in trademark law and intellectual property protection with experts, scholars, and industry elites from around the world, and explore the direction of future trademark development. As COVID-19 fades away, let's meet in the Lion City in May!

New Arrangements for Patent Examination

David Liu

Generally, there are multiple stages before a Chinese patent application can be granted by the China National Intellectual Property Administration (CNIPA). Based on my years of work experience in China's patent practice, it may take more than 30 months, or even 40 months, from filing date to obtain a patent in China. This slow examination process can have negative effects when applicants or patentees want to pursue patent protection in China. Furthermore, if a patent is granted many years after filing, its value will be greatly reduced.
On February 22, 2023, CNIPA held a press conference, and made clear arrangements to improve the quality and efficiency of patent examination.

The following messages are worth noting:

1. CNIPA will reduce the examination period of invention patents from 30+ months to 16 months.

2. CNIPA will improve the quality of utility models and design patents, which will help to enhance the value and validity of the patents and further promote healthy development of the patent protection environment in China.
If you need assistance on patents in China, please feel free to contact us.

> **On February 22 2023, CNIPA held a press conference, and made clear arrangements to improve the quality and efficiency of patent examination. Our Partner David Liu shared insights into worth-noting messages.**

David Liu
Patent Attorney

David Liu, a New York attorney and Chinese patent agent, has more than 10 years of legal experiences in both the U.S. and China. David has significant experience representing multinational clients in patent litigation, patent prosecution and trade secret litigation throughout IP Courts, CNIPA and PRB in China, and USPTO and PTAB in the United States.

Subject Matter as Patentable for Utility Model

Lili Bao

Relevant legal provisions

As stipulated in Article 2.3 of the Patent Law, “utility model” refers to any new technical solution relating to the shape, the structure, or their combination, of a product, which is suitable for practical use, wherein the structure of a product may be either the mechanical structure or the circuit structure. The circuit structure refers to the fixed connection relationship amongst the components or elements devices of which the product consists.

On this basis, it is further stipulated in the Guidelines for Patent Examination that only a product can get patent protection for utility model. All the processes are not the subject matter protected by the patent for utility model. The processes referred to above include the methods of use, manufacturing processes, processing methods, methods of communication, or computer programs, etc.

Case I: Reexamination Decision No. 47018 issued by the Patent Reexamination Board

Claim 1 is as follows: an information collection providing device for realizing information tracing management of a commodity, characterized in comprising two units: (1) a traced information acquisition unit for acquiring traced information corresponding to the commodity; (2) a first-level information generation unit for generating the traced information and measurable first-level information of the commodity.

It is held in the Reexamination Decision that “a first-level information generation unit” is an essential feature when the device is solving the problem. Meanwhile, the function, namely “for generating the traced information and measurable first-level information of the commodity”, is realized by a computer software program in essence. Besides, in claim 1, two feature units of the device are neither connected together via a mechanical structure nor connected together via a circuit structure. At the same time, the description fails to state the connection therebetween in a detailed and systemic manner. Thus, the connection belongs to virtual connection realized depending on a computer program, not physical connection of components themselves, and is a process feature realized by a program in essence. Meanwhile, as for the overall technical solution of the claim, the process of information generation above further improves methods realized by existing programs. Thus, even though the claim further comprises other structural features, the patent also falls within the subject matter protected by the patent for utility model under Article 2.3 of the Patent Law.

Analysis: Existing mechanical devices cannot be operating independently without a computer program in terms of function realization in many cases. Hence, when the claims are drafted, for completely protecting the technical solutions, functional definition or similar description of a virtual device will be introduced, and such description will quietly possibly have the problem regarding the subject matter.

Case II: Decision of invalidation No. 19618 issued by the Patent Reexamination Board

Technical solution to be protected: a mobile terminal transaction system mainly used for voice payment, and mainly consisting of parts such as a portable mobile device, a transaction terminal on the Internet, and a transaction center. The specific workflow of the device is as follows: after confirming transaction information (payment requests and payment information) identified by the display of the transaction terminal and inputted by a customer via an operating component, the transaction center transmits the information above again via the Internet.

It is held in the Decision of Invalidation that the mobile terminal transaction system in claim 1 mainly transfers payment requests and payment information in different ways, that is, the payment requests depend on the technical means of wireless voice transmission, and payment information depends on the technical means of Internet transmission. The two transfer processes can be realized depending on the Internet transmission technology, not improvements in the manner for realizing procedures in essence, thereby falling within the subject matter protected by the patent for utility model under Article 2.3 of the Patent Law.

Suggestions on drafting of utility model claims relating to a computer program

1. On the premise that implementation of the technical solution is not affected, functional definition of a computer procedure as deemed is not drafted or drafted as less as possible.
2.When it is necessary to introduce the functional definition relating to a computer program for completely expressing the technical solution, only the functional definition directly associated with the device, other than that indirectly associated with the device, may be drafted.

Recent Updates on Design Patents in China

Vickie Wang

Entering the 2020s, China's intellectual property practices have greatly changed. In particular, the partial designs got allowed under the Fourth Amendment to Patent Law effective on June 1 2021 and China joined the Hague System on May 5 2022. Following that, the Chinese Patent Office issued two Notices with a bunch of interim provisions, guiding on how these "newly-introduced" designs would be examined.

1. A partial design generally shall be represented in solid lines in combination with broken lines; if not represented in this way, the applicant shall specify the claimed part in the brief description.

It seems that the Chinese Patent Office prefers partial designs represented in solid lines in combination with broken lines. Although the drawings represented in other ways may be accepted if we specify the claimed part in the brief description, the Chinese Patent Office does not give any further details on what kind of representations would be allowed. Before further official rules in this regard are issued, to avoid a problematic issue with the drawings during prosecution, we think it would be more advisable to file a partial design with the claimed part in solid lines and the unclaimed part in broken lines, if possible.

2. Where the claimed part of a partial design contains a 3-dimensional shape, a perspective view showing this part clearly shall be submitted.

Under the current practice of China, the 6-side views in accordance with orthographic projection are required for a design of a 3-dimensional product. In some cases, a view can be omitted if it is generally invisible during use; or if the two views are identical or symmetrical, one of them can be omitted (The Examiners are getting rather strict with the view omission and we generally would not suggest doing so). We would always recommend having at least one perspective view to show the 3-dimensional product clearly, although it is not mandatory. From the updated Notice, we can see that a perspective view becomes mandatory if the claimed part of a partial design contains a 3-dimensional shape. Even, multiple perspective views would be recommended to show the claimed part clearly if its 3-dimensional shape is somewhat abstract.

3. A design application may claim a domestic priority based on the drawings of an earlier patent application. If the earlier domestic application is a design, this priority design application is deemed withdrawn upon the filing of the later design application.

The domestic priority for designs just follows how it works for inventions and utility models in China. That is, the priority design application will be automatically deemed withdrawn on the filing date of the later design application. The good thing for applicants here is, nevertheless, if the drawings of an earlier invention or utility model application show the design, we may have a later design application claiming the priority of the earlier application without the loss of the invention or utility model. In practice, the applicants sometimes would recognize infringement within the 6-month priority claiming deadline after filing an invention application. This domestic priority policy for design helps get an enforceable design patent right soon without losing the opportunity to have the invention granted at a later stage.

4. Where a design is filed via the Hague system with China as one of the designated countries and has got an international registration date, this international registration date should be deemed as the filing date under Article 28 of Chinese Patent Law.

Article 28 of Chinese Patent Law stipulates that the date on which the patent application documents are received by the Chinese Patent Office shall be the filing date. Under this interim provision, the international registration date of a Hague design with the designation of China is equivalent to the filing date of this design in China. Unlike the 1-year grace period in many jurisdictions, China adopts quasi-absolute novelty criteria for design patents. A design applied before the Chinese Patent Office should be "NEW," which means it should not be used or

published anywhere in the world. The exceptions for not losing its novelty are strictly limited to, within 6 months before the filing date, (1) it is disclosed to the public for the first time in the public interest when a state of emergency or any extraordinary circumstance occurs in the country; (2) where it was first exhibited at an international exhibition sponsored or recognized by the Chinese Government; (3) where it was first made public at a prescribed academic or technological meeting (should be organized and held by a department of the State Council or by a national academic association); (4) where it was disclosed by any person without the consent of the applicant. In practice, however, we barely have cases entitled with such a 6-month grace period and would always recommend filing the design application before any kind of disclosure anywhere. Therefore, if the applicant wishes to have a Hague design with the designation of China, filing the Hague design before the disclosure is highly suggested.

5. If the international design application documents published by the World Intellectual Property Organization (WIPO) contain a description indicating the design features of the design, then such a description is deemed as the brief description as required.

Many jurisdictions require a description for a design, generally, specifying the drawings in detail. In contrast, a brief description for a Chinese design application typically is required to include the title, the use of the product, design feature(s) of the product, the representative figure, etc. The design features refer to the three protective elements for a design patent, i.e., shape, pattern, and color. Under China's practice, the basic protective element for a design patent is the shape, pattern, or combination thereof. In addition, the color can be also protected as part of the protection scope if the color is claimed in the brief description. Given this, to avoid a refusal due to a non-conforming description, it would be highly recommended to specify the design features in the description when filing your Hague design with the designation of China.

6. For an international design application, in response to a refusal issued by the Chinese Patent Office, the applicant shall file the observations in Chinese and the amended application documents in English (if any).

In general, all the domestic application documents submitted to the Chinese Patent Office shall be in Chinese. Concerning a Hague design with the designation of China, it would be fine to have the application documents in English for prosecution by the Chinese Patent Office. However, if the applicant would like to present observations in response to the refusal issued by the Chinese Patent Office Action, the observations shall be in Chinese.

7. As for an international design application, the Chinese Patent Office does not charge a priority claiming fee.

For a conventional design application, the Chinese Patent Office charges a USD 15 official fee per priority claim at the time of filing. For a Hague design with the designation of China, however, the applicants do not need to worry about payment of further official fees besides the three-part official fees (basic fee, publication fee, and designation fee) after filing.

8. For an international design application, the applicant may file a divisional application before the Chinese Patent Office within 2 months after the international publication date. If the applicant files a divisional application according to an Office Action, this divisional application shall be filed within 2 months after the domestic publication date of the initial application. If the above deadlines are passed, the initial application is rejected, or the initial application is deemed as being withdrawn and not restored, a divisional application generally shall NOT be filed.

For an initial design application conventionally filed before the Chinese Patent Office, we may file a divisional application when the initial application is pending; and, if an Office Action is issued raising the unity rejection for that divisional application, we may file a further divisional application while that divisional application is pending. It seems that the rules for divisional application filing based on an international design application are very different from those based on a conventional one. Compared to a conventional design, if no unity rejection is raised for an international design application, the applicants literally have very limited time to consider divisional filing. Thus, if the applicant wishes to have more time to make a decision regarding divisional filing, a conventional design application would be a better option.

Vickie Wang

Patent Attorney

Vickie Wang has an engineering background and law degrees in both China and the US. At Chang Tsi & Partners, Vickie started as an intern 10 years ago and grew into the head of our electromechanics & design group team. Now, she is mainly responsible for dealing with patent prosecution and enforcement matters in mainland China, from drafting, filing, and prosecution to reexamination, invalidation, and infringement & stability analysis. Vickie is also familiar with patent practices, especially design patents, in many main jurisdictions like the Greater China area, the US, Europe, Japan, South Korea, etc., and offers related consulting services for domestic and foreign clients