

JAN
2012

EC **Ella Cheong** | Hong Kong
PATENT, DESIGN & TRADEMARK AGENTS | Beijing

News

Trademark News release

- 10th Edition of Nice Classification Takes Effect
- Apple Lost iPad Trade Mark Lawsuit in China

Patent News release

- SIPO-USPTO PPH Pilot Program
- Efficient Invalidation Regime on China Patents

Company News

EC
News

TRADEMARK

10th Edition of Nice Classification Takes Effect

The tenth edition of the International (Nice) Classification of Goods and Services for the purposes of the registration of trademarks came into effect on 1 January 2012 in China and Hong Kong. The tenth edition of the International Classification introduced a number of amendments, deletions, additions, class transfers and other changes, as a result of the Reports adopted by the Committee of Experts of the Nice Union at its 21st Session. Applications filed with the Trade Marks Registries of China and Hong Kong on or after 1 January 2012 must comply with the standards as set by the tenth edition of the International Classification.

TRADEMARK

Apple Lost iPad Trade Mark Lawsuit in China



Ning Xue

In December 2011, Apple lost a lawsuit against a Chinese company Proview Technology (Shenzhen) Co. Ltd. alleging the latter infringed its iPad trade mark in China.

Proview Technology (Shenzhen) Co. Ltd. had registered and owned the iPad trade mark in China since 2000. Apple bought the trade mark rights for iPad in Europe and other countries from Proview Taipei - Proview Technology (Shenzhen) Co. Ltd.'s parent company, in 2009. However, Proview (Shenzhen) claimed the purchase did not include TM rights in China and it still reserved the right to use the TM in Mainland China. After unsuccessful negotiations, Apple filed lawsuit against Proview (Shenzhen) with the Intermediate People's Court in the Southern Boomtown of Shenzhen but the Court rejected Apple's complaint.

According to court documents, Shenzhen Intermediate People's Court held the view that "Apple should bear a higher duty of care, sign trademark transfer contract with the trademark owner and complete the necessary procedures for trademark transfer in accordance with laws and regulations". With the Court decision, Proview (Shenzhen) is now taking its own action against Apple and asking for 10 billion yuan (1.6 billion US dollars) in compensation from Apple for TM infringement.

We consider there are two issues stemming from the case that foreign entities seeking to protect their IPRs in Mainland China should take note of.

First, pre-filing investigations, including investigation of status of a trade mark and trade mark owner, are strongly recommended. For example, prior to executing an IPR transfer contract, the Assignee must ascertain whether the Assignor has legal ownership of the IPRs to be transferred, whether there are third party's rights involved, what are the geographical territories the transfer covers. We can conduct searches through the China SIPO database, but in case the TM owner is an enterprise and has cancelled its registration with the Chinese company registration authority, there is a risk that the cancellation of the TM owner as a legal person is not updated with the CTMO in time and does not show in the CTMO's online database properly.

Second, when a registered TM is transferred from one party to another and to avoid any potential disputes, a recordal of assignment for the registered TM shall be filed with the CTMO timely to update the details of the subsequent TM rights holder. According to China Trade Mark Laws, where 1 registered TM is to be assigned, the registrant is required to assign all its identical or similar TM covering identical or similar goods and/or services to the Assignee.

Accordingly, investigation of multiple aspects and filing recordal procedures with the CTMO can effectively reduce the risks in the transaction of trade mark rights in China.

PATENT

SIPO-USPTO PPH Pilot Program

The Patent Prosecution Highway ("PPH") Pilot Program between China State Intellectual Property Office ("SIPO") and The United States Patent and Trademark Office ("USPTO") was launched on 1 December 2011. Requirements for candidate CN invention patent applications can be



Wubin Yan



Please note the following pre-conditions for requesting PPH:

1. The request must be filed after the China application enters into substantive examination procedure; and
2. The pending claims of the China patent application must sufficiently correspond to one or more of the claims allowed by the USPTO.

We wish to bring to the applicants' attention that there are only 2 opportunities for making voluntary amendments to China patent applications after filing: at the time of requesting substantial examination; and within three months after the application enters substantive examination procedure. If these dates are missed without having the China claims consistent with claims allowed by the USPTO, the application would not be qualified for the PPH pilot.



PATENT

Efficient Invalidation Regime on China Patents



Susan Chi

Susan Chi assisted *Norrna Sport AS* to successfully invalidate a China PCT National Phase Entry patent (ZL 200480036476.5) before the China Patent Reexamination Board ("PRB"). *Norrna Sport AS* is well-known among consumers for winter and mountain sports. The decision from PRB will influence its China market.

The whole invalidation procedure lasted less than 5 months from the filing date of the invalidation request to the receiving date of the invalidation decision. After receiving the invalidation request in August, the panel of the PRB held an oral hearing last month in Beijing. Both "the petitioner" *Norrna Sport AS*, and "the patentee" *Volcom Company* participated in the oral hearing. Supported by prior arts evidence, the petitioner requested invalidating all the claims on the grounds that some of the claims are not clear and all the claims do not possess inventiveness. During the invalidation procedure, the patentee amended the claim set by combining some of the granted claims. The patentee wished to uphold all the amended claims since all the claims are clear and not anticipated by the cited prior arts and therefore possess inventiveness. Both parties fully presented their arguments in front of the panel of the PRB. In the end, the panel accepted the petitioner's evidence and arguments, and concluded that all claims lack inventiveness and are invalid.

There are two inspirations from this invalidation case:

1. During the invalidation procedure, the patentee was not allowed to amend the application documents by adding contents from the description, but it could combine several dependent claims which indirectly referred to the same independent claim as a new basis of examination if such amendments do not go beyond the initial disclosure.
2. Inventiveness usually is the most powerful weapon against granted patent claims. The panel of PRB will decide by considering the claimed invention as a whole and applying a three-step examination approach on inventiveness.

This case is an example for both patentees and petitioners. Patentees must remember that securing a patent is not final. Due to the strict

rules for amendments, they must put more efforts on drafting and prosecuting a patent application before the patent rights are granted. On the other hand, petitioners must deeply investigate prior arts and the granted patent in question. They must present persuasive grounds with the PRB in conjunction with the facts from the submitted evidence in order to gain a better position in the procedure.

Our team at Ella Cheong (Hong Kong & Beijing) shall be pleased to advise all parties, petitioners and patentees on courses of action available.



COMPANY NEWS

- **The International Who's Who of Franchise Lawyers 2011**

We are pleased to announce that our Founder & Chair, Ella Cheong, has been nominated as one of the world's leading practitioners by The International Who's Who of Franchise Lawyers 2011.

Copyright © 2012 Ella Cheong (HK). All rights reserved.

Remove from our mailing list, please reply to unsubscribe@ellacheong.com