

## China IP News & Views

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7Th/8Th/11Th  
Floor, Scitech Place, 22  
Jianguo Menwai  
Ave., Beijing  
100004, P.R.China  
T: +8610 59208888  
F: +8610 85110966  
85110968  
Web: [www.unitalen.com](http://www.unitalen.com)  
E-mail: [mail@unitalen.com](mailto:mail@unitalen.com)



Beihai Park

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▶ [The Eighth Secretary Meeting of China, U.S., Europe, Japan and Korea Held in Suzhou, with Cooperation Agreement Signed](#)

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On May 22, the eighth secretary meeting of China, U.S., Europe, Japan and Korea Intellectual Property Office was held in Suzhou, Jiangsu province. Secretaries from the five offices signed the Cooperation agreement at the meeting.

Secretary of China's State Intellectual Property Office Shen Changyu presided the meeting. EPO President Benoit Battistelli, JPO technical supervisor Kihara, the Korean Patent Office Director Cui

Donggui, deputy director of the US Patent and Trademark Office Russell Shriff attended the meeting. WIPO Deputy Director General John Sandage also attended the meeting as an observer.

The Cooperation agreement includes four parts: common ideology, services provided, current focus of work and cooperation activities by the five offices in future.

Review:

To solve the common serious problems of patent application surge and backlog of pending files, in 2007 IP institutions of the European Patent Office (EPO), the US Patent and Trademark Office (USPTO), the Japan Patent Office (JPO), the Korean Patent Office (KIPO) and China State Intellectual Property Office (SIPO) established a cooperation mechanism in these five countries / regions.

In the second meeting in October 2008 in Jeju Island of South Korea, the five offices defined the cooperation vision: "to eliminate unnecessary duplication of effort between the offices and improve efficiency and quality of patent examination, to ensure stability of patent ". The five offices considered "work-sharing" as important ideas and the main way for cooperation, with the "quality of timeliness" as a precondition for work-sharing.

Since 2007, a total of seven meetings have been held between Secretaries and thirteen meetings between Deputy Secretaries. Business cooperation has been expanded from ten basic projects at the beginning to dozens of projects under several working groups, many of which have significant international impact.



## ➤ SAIC: Well-known Trademark Recognition Adjusted from Non-administrative Approval Item to Administrative Adjudication Item

### Notice on Adjustments to Relevant Approval Items

In accordance with the non-administrative approval items cleanup advice examined and adopted at the 91st State Council executive meeting, and the requirements by *Notice on timely adjustment & announcement of approval items by Approval Reform Office of the State Council* (S.G.B.H [2015] No.32), the administrative approval items to be adjusted by the SAIC are announced as follows:

1. The trademark registration is adjusted from non-administrative licensing approval item to administrative confirmation item;
2. The recognition of well-known trademarks is adjusted from non-administrative licensing approval item to the administrative adjudication item;
3. Special sign registration is adjusted from non-administrative licensing approval item to administrative confirmation item;
4. Special sign licensing contract record is adjusted from non-administrative licensing approval item to administrative confirmation item.

The above items are no longer among administrative approval items after adjustment, which are immediately removed from our approval directory. The above items will be further studied, checked up

and standardized, combined with the list of department power by the State Council while promoting decentralization and administration by law.

Notice is hereby given.

General Office of the State Administration for Industry and Commerce

Issued on May 25, 2015

Reading by Li Chunya, lawyer from Unitalen:

Chinese Well-known Trademarks have developed from the overwhelming advertising honors to the specific provision that "well-known trademark shall not be used in advertising" by the new 2014 Trademark Law, from periodical approval and announcement of well-known trademarks before 2013 to today's administrative decisions, and from alienation of honor by the government to the substance of legal relief, which shows the well-known trademark recognition has returned to the nature of the law itself. The well-known trademarks recognized by administrative decisions are quasi-judicial, with legal consequence of administrative enforcement in the relevant administrative confirmation and authorization cases in future, which is even directly applicable when it meets the standards of similar cases. Of course, changing the nature of administrative adjudication will reflect the principle of "passive protection of individual case recognition" of well-known trademarks, that is, the administration cannot take the initiative to recognize well-known trademarks, and the opposite party cannot make application by "only requiring well-known trademark recognition". Only when the interest of well-known trademarks is damaged or in dispute can a well-known trademark be claimed for recognition in specific cases, with the purpose of protecting well-known trademark rights, rather than the recognition itself. Of course, for administrative adjudication, except for those where administrative decisions are final according to the statutes, the party may apply for administrative review or bring an administrative lawsuit.



## ➤ SIPO: Cloud Patent Examination System (CPES) Formally Launched

In order to facilitate the sharing of examination capacity among patent examination authorities and improve quality and efficiency of patent examination, the State Intellectual Property Office built and launched a cloud patent examination system (hereinafter referred to as "CPES"), which was formally launched on May 22, 2015. The system made functional improvement and upgrading based on cloud patent examination test system launched in June 2013 (hereinafter referred to as "test system"), bringing together the examination files, bibliographic information and publication text information from multiple examination authorities in the world, also providing system users with topic discussion, real-time communication and other forms of community communication functions.

CPES now covers patent examination information of 16 agencies from Chinese State Intellectual Property Office, the European Patent Office, the Japan Patent Office, the Korean Patent Office, the US Patent and Trademark Office, the United Kingdom, Australia and Germany. The system uses a new interface design and timeline display, with the establishment of various forms of channels to collect feedback information, to provide users with nine languages like Chinese, English, Spanish, Portuguese and Arabic, and the multilingual translation tool within the system enables translation between twelve

languages like Chinese, English, Korean and Japanese.



## ➤ China Officially Drafting IP Antitrust Guidelines

Recently, the Price Supervision & Inspection and Anti-monopoly Bureau of National Development and Reform Commission held the preparatory meeting, officially launching the drafting of *Abuse of Intellectual Property Antitrust Regulation Guidelines*. The guidelines will address IP-related monopoly agreements, abuse of dominant market position, business concentration and other acts, to refine the relevant provisions of antitrust law, especially with specific guidelines for circumstances where immunity could be claimed.

It is understood that in the work program, the NDRC will commission to carry out the focused subject research in the next step, to form a preliminary draft on this basis. After that, the NDRC will solicit the views from related parties, to form a mature draft on the basis of full research and demonstration, for public comments according to legal procedures, which will be released by the Anti-monopoly Committee after discussion and adoption.



## ➤ China-Singapore Signed Memorandum to Promote Trademark Registration Cooperation

According to Singapore's *Zaobao* on May 19, Singapore and China recently signed a memorandum of understanding to promote bilateral cooperation in the trademark registration.

China is represented by the State Administration for Industry and Commerce. According to the memorandum, China and Singapore will exchange trademark registration information, as well as discuss personnel training issues.

On behalf of the Intellectual Property Office of Singapore (IPOS), Secretary Chen Yishan said: "This memorandum strengthens links of trademarks and brands between the two countries, which helps Chinese enterprises to expand business in Singapore and the ASEAN region, and provides the trademarks and brands of Singapore companies and multinational companies in Singapore with better access to Chinese market."

China will share the number of the trademark registration by local businesses in China with Singapore, and vice versa. The two countries will also exchange information in: how to handle trademark disputes, as well as changes to the laws related to trademark.

In addition to information exchange, Singapore and China are also interested in training activities, which covers areas of trademark examination, trademark opposition and litigation to resolve disputes.

The two sides will also promote exchanges between IP officials and experts, hold seminars together,

and teach IP owners to protect trademarks and maintain trademark rights.



## ➤ China Jumped to Ninth in the World Comprehensive Ranking of IPR with IP Environment to Be Improved

Chinese State Intellectual Property Office issued the *2014 China IPR Comprehensive Development Evaluation report* (hereinafter referred to as "*Report* ") on June 4. The Report shows that the country continues to improve the overall level of IP development, with significant progress in international rankings. From 2008 to 2013, the ranking rose to the ninth from the 19th in the world, with capacity and performance in third place. But IP environment still needs improvement.

The *Report* shows that the level of comprehensive IP development was further improved last year. Han Xiucheng, Director of IP Development & Research Center of SIPO said after analysis, in 2014 the index of IP development reached 63.74, increasing by 0.98 against 2013, with steady improvement in IPR creation, utilization, protection and environmental standards, and various index showed steady growth.

From changes of Intellectual Property Development Index in different regions, the development in the eastern region slowed down, while the central and western regions had great development potential. The areas with higher level of comprehensive IP development are mainly concentrated in the east, while Guangdong, Beijing, Shanghai, Zhejiang, Jiangsu, Shandong and Fujian have ranked the forefront for many years. After long time of development in the east, the maturity of IP work increases, which has formed a virtuous circle of IP development, with a slowdown in growth.

The *Report* established an international index of IP comprehensive development for the first time, adding international comparisons of IP comprehensive capabilities. The report shows that China's international IP status raised up rapidly, jumping from 19th in 2008 to 9th in 2013 among the 40 sample countries.

From the three A-level indicators of IP capability, performance and environment, China's IP capability and performance ranked third, while the IP environment became the most prominent short board.



## ➤ Unitalen Enlisted in 2015 WTR 1000 Global Directory as the Gold Medal Law Firm in China Again

Recently, *World Trademark Review* (hereinafter referred to as WTR), the authoritative magazine in the field of trademarks, released the "2015 WTR 1000" Global Directory, Unitalen was named the gold medal law firm in China with its undisputed overall strength in trademark field.

After a four-month research and analysis of survey data on global firms and professionals, WTR 1000 directory covers the evaluation data from more than 60 jurisdictions to draw the ranking. Unitalen was

listed in the ranking with its outstanding achievements in the field of trademark applications, trademark strategy and litigation, etc. In addition, a number of Unitalen lawyers are recommended in the elite list in different areas of trademarks.

Evaluation of Unitalen by WTR: China's biggest filer is Beijing-headquartered Unitalen, whose 600-plus staff across no fewer than 18 branch offices make light work of its prodigious output. The firm hit the headlines for its representation of Tencent in a marathon unfair competition spat with Qihoo. The "remarkable" Danny Chen is "meticulous, thorough and trustworthy... always the top choice for large portfolios ". Prosecution expert Ying Huang shines in trademark administrative litigation. Courtroom ace Robert Li is a noted speaker and writer on IP issues in China; in addition to trademark infringement, he has developed a specialty in the IP aspects of antitrust suits.



## ➤ "GAMING" Trademark Won in the First Instance of Refusal for Review Administrative Proceeding

Taiwan's Micro-Star International Co., Ltd. is the industry's leading PC motherboard and graphic card manufacturer, with a history dating back to 1986. In 2012 the company designed a dedicated game graphic card for gamers, with the trademark "GAMING G SERIES" for the new product. Subsequently, MSI made application to the Chinese Trademark Office to register the trademark, but the Trademark Office and Trademark Review Administration Board (TRAB) refused the application for registration with the reason "'GAMING' in the trademark can be translated as 'gambling', which is easy to produce adverse social impacts when used on the designated goods and cannot be used as trademarks".

MSI refused to accept the decision by the Trademark Review Appraisal Committee. Moreover, there's record of registered trademark containing "GAMING" applied by other companies in the Chinese mainland, and the "GAMING G SERIES" trademark has been registered in many overseas countries and territories, so MSI proposed administrative proceeding to the court. Beijing Intellectual Property Court, after the hearing, held that "'GAMING' will not have adverse impact", and dismissed the review decision. The court held that: "GAMING" has a meaning of "gambling", but "gambling" is not its usual meaning, which is not widely known to the public, and the English word corresponding to "gambling" in Chinese-English Dictionary is "GAMBLING". And in this case, the actual use of the trademark is for game graphics, which means that its application is computer field. MSI also commissioned research company to conduct a survey in Beijing, Shanghai, Tianjin, Guangzhou and Shenzhen, which shows that the public recognition of the meaning of "GAMING" mostly concentrate in the games, not "gambling". The court accepted the arguments of MSI, and decided that the word "GAMING" contained in the trademark applied does not have adverse impact.

The adverse impact referred to in Item (8) of clause 1 of Article X of *Trademark Law* refers to the negative impact on China's political, economic, cultural, religious, ethnic and other public interests and public order. Then, is the criterion to determine adverse impact based on the "general perception of the public" or on "the objective meaning of trademark itself"? In the present case, the Trademark Office and Trademark Appraisal Committee considered the objective meaning-"gambling" of the word "GAMING" as the only criterion. In another case of "Havel" trademark refusal, the Trademark Office and Trademark Appraisal Committee dismissed it with the reason that it is similar to the leading US university Harvard in names, which could easily lead to consumer misidentification and thus adverse



affect. In other words, the administrative organs such as Trademark Office and Trademark Appraisal Committee, in reviewing adverse impact of trademark, do not judge by the criterion of "general perception of the public", but in favor of the meaning of the trademark itself as the basis for judgment. Whether in this case or "Haval" trademark case, the court overturned the decision by Trademark Appraisal Committee, reflecting that the court adopted the former criterion, namely: to determine whether a trademark would have a negative social impact, the "general perception of the public" needs to be the criterion.

In fact, the trademark is not a logo existing in isolation on paper, but a commercial sign vividly used in social and economic life, facing the majority of ordinary consumers. So in considering whether it will cause adverse impact, the mark should be placed in business activities with comprehensive study of whether its actual use will cause adverse impact in the public. As for the so-called public interest and public order, the object of such effect is the public, if the general perception of the public is not a factor for consideration and stick only to the meaning on paper, it would be too mechanical and does not conform to the principle of seeking truth from facts, which is not conducive to explore the full effect of IP services in economic development. Thus, for the refusal where the Trademark Office and Trademark Appraisal Committee identify adverse impact mechanically by some objective meaning, the applicants should actively seek for judicial relief.



## ➤ Zhang Yazhou attended to South Korea "K- Brand Protection Seminar" and Made a Keynote Speech

On May 27, the "K- Brand Protection Seminar" co-sponsored by the Korea International Trade Association, the Korean Intellectual Property Protection Association and the Korean Patent Office was held in Seoul, Zhang Yazhou from Unitalen was invited to attend and made a keynote speech.

The meeting received wide attention from the Korean Intellectual Property community, vice president of Korea International Trade Association, and President of the Korean Intellectual Property Protection Association attended and made a speech, and more than 200 executives and experts from South Korea businesses and Intellectual Property Office were present.

At the meeting, Unitalen was the only Chinese law firm invited, and Unitalen's partner Zhang Yazhou made a keynote speech on registered trademark protection against the background of computer Internet. In light of China's Patent Law, Copyright Law and Anti-Unfair Competition Law, Mr. Zhang clearly showed the latest dynamics and development trends in China's current Internet IP protection to Korean counterparts, focusing on protection under design patent, art work, and specific names, packages and decoration of famous commodities, which was welcomed by the audience.

In addition, heads of Korea International Trade Association, IP supervisor of Korean KGC, and lawyers and experts from IP Protection Association also made keynote speeches on hot spot issues respectively.



## ➤ Unitalen's Xi'an Branch Participated in the First Friendship Cup

## Badminton Tournament by Shaanxi Intellectual Property Office

On May 29, the first IP Friendship Cup Badminton Tournament organized by Shaanxi Provincial Intellectual Property Office was held smoothly. Deputy Director of the Office Yang Xingyun and full-time deputy secretary of the Party Committee, Shangguan Jingdong, were present and participated in the match. Badminton enthusiasts from the provincial Intellectual Property Office and several IP service firms gathered to improve their skills. A total of 16 players from Unitalen's Xi'an branch participated and won second place in the match.

The tournament involves men's singles, women's singles, men's doubles, women's doubles and mixed doubles, although it was friendship tournament, everyone came up with their own best skills, making the match intense and exciting. At the same time, through this game, the players interacted with each other, displaying the proportional and positive mental outlook of IP workers.

The match brought pleasure to the body and mind, and strengthened communication. The Bureau's leadership said that this was the first IP Friendship Cup badminton tournament carried out by the provincial bureau, and they would continue and expand its scale in the future.

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