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QUARTERLY

NEWSLETTER

PANAWELL INTELLECTUAL PROPERTY



*Wishing you peace, joy and happiness
through Christmas and the coming
year.*

Panawell & Partners LLC

*MERRY CHRISTMAS
HAPPY NEW YEAR*



Chinese Public Holidays in 2024

1. New Year's Day, Dec. 30, 2023 to Jan. 1, 2024
2. Spring Festival, Feb. 10 to 17, 2024
3. Tomb-Sweeping Day, Apr. 4 to 6, 2024
4. Labor Day, May 1 to 5, 2024
5. Dragon Boat Festival, Jun. 8 to 10, 2024
6. Mid-Autumn Festival, Sept. 15 to 17, 2024
7. National Day, Oct. 1 to 7, 2024



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Panawell Intellectual Property, consisting of Panawell & Partners, LLC and Panawell & Partners Law Firm, provide full spectrum of services in all fields of intellectual property rights, such as patent, trademark, copyright, computer software, anti-unfair competition, trade secrets, custom protection, domain name, license, assignment, enforcement, administrative and civil litigation, IP consulting and management.

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Newly-Revised Implementing Regulations of Chinese Patent Law Approved by the State Council

On November 8, 2023, the Information Office of China's State Council announced that the State Council deliberated and adopted, at its executive meeting, the Implementing Regulations of the Patent Law (Draft Amendment). Specifically, the amendments mainly cover five aspects: i) amplifying the patent application system to facilitate applicants and innovators; ii) amplifying the patent examination system to improve the patent examination quality; iii) enhancing the administrative protection of patents to safeguard patentees' legitimate rights and interests; iv) boosting patent-related public services to help working the patents; and v) adding the special provisions concerning international design applications to further harmonize with the Hague Agreement.

As the important supporting administrative regulations to ensure effective implementation of the Patent Law amended in 2020, and to ensure smooth implementation of the newly added systems, the Implementing Regulations of Chinese Patent Law have been amended to lay out detailed provisions of, and improve the relevant systems, under the amended Patent Law, to maintain the consistency and stability of the patent system, to harmonize with the relevant international treaties to which China has acceded, to actively deliver the

China's obligations under the international treaties, and to further integrate into the international rules).

(Source: CCTV News)

Convention Abolishing the Requirement of Legalization for Foreign Public Documents Effective in China

On March 8, 2023, China acceded to the Convention Abolishing the Requirement of Legalization for Foreign Public Documents (hereinafter "the Convention"), and the Convention entered into force in China on November 7, 2023.

The Convention is an international treaty with the widest scope of application and the largest number of signatories or contracting parties under the framework of the Hague Conference on Private International Law, aiming to simplify the procedures for cross-border circulation of public documents. Starting from November 7, public documents sent by China to other signatories for use can be sent to them only by applying for the additional apostille as stipulated in the Convention, and there is no need to apply for consular legalization by the embassies and consulates of China and signatories in China. For official documents of other signatories sent to Chinese mainland for use, only additional apostilles of that country are required, and consular legalization of the country and the Chinese embassy or consulate

in that country does not need to be processed. The Chinese additional apostilles will be in the form of a sticker with a silver national emblem seal. Additional apostilles issued by the Ministry of Foreign Affairs of the People's Republic of China and relevant local foreign affairs offices support online verification.

(Source: : official website of the Ministry of Foreign Affairs)

World Intellectual Property Indicators Report Released

Even as global filings for trademarks and designs dropped, innovators from around the world submitted 3.46 million patent applications in 2022, marking a third consecutive year of growth, according to the annual World Intellectual Property Indicators (WIPI) report released by WIPO.

China, US, Japan, Republic of Korea and Germany were the countries with the highest numbers of patent filings in 2022. While innovators from China continue to file nearly half of all global patent applications, the country's growth rate dipped for a second consecutive year from 6.8% in 2021 to 3.1% in 2022. Meantime, patent applications by residents of India grew by 31.6% in 2022, extending an 11-year run of growth unmatched by any other country among the top 10 filers.

Applicants based in China filed around 1.58 million patent applications in 2022, covering both domestic and foreign jurisdictions. China was

followed by the US (505,539), Japan (405,361), the Republic of Korea (272,315) and Germany (155,896).

China (+3.1%), the Republic of Korea (+1.9%) and the US (+1.1%) filed more applications in 2022 than in 2021. In contrast, Germany (-4.8%) and Japan (-1.6%) filed fewer applications in 2022.

The majority of the top 20 origins – 13 out of 20 – filed a greater number of patent applications in 2022 than in 2021. The largest increases were in India, which filed 31.6% more application in 2022. Switzerland (+6.1%), China (+3.1%), Austria (+2.5%) and the UK (+2.5%) also reported robust growth in filings.

In 2022, an estimated 1.1 million industrial design applications were filed worldwide. These applications contained about 1.5 million designs, corresponding to a decrease of 2.1% on 2021. With 841,164 designs in applications filed, applicants residing in China were the most active in the world in terms of design count in 2022. They were followed by applicants from Türkiye (80,559), Germany (70,346), US (67,349) and the Republic of Korea (62,014). Together, these top five countries accounted for three-quarter (75.6%) of the global activity in 2022. Driven mainly by a rapid increase in filings by applicants from China, the combined share of the top five origins has grown by 4.6 percentage points over the last decade. Among the top 20 origins, only five saw a rise in design count in 2022. Türkiye (+31.4%) experienced the sharpest growth propelling it three positions higher in the

global ranking within a year. Türkiye was followed by Brazil (+11.3%), India (+9.5%), Italy (+7.1%) and Switzerland (+3.6%).

An estimated 11.8 million trademark applications covering 15.5 million classes were filed worldwide in 2022. The number of classes specified in applications fell by 14.5% in 2022, marking the first annual reduction in application class count since 2009. The highest volume of filing activity[2] came from applicants based in China with a combined domestic and abroad application class count of around 7.7 million; followed by US applicants (945,571), those based in Türkiye (482,567), and applicants from Germany (479,334) and India (467,918). Filing from 14 of the top 20 countries of origin fell in 2022, many of which by more than 10%. Despite being the top origin of applications, filing by residents of China at both home and abroad shrank by almost 21%. Also, among the top five origins, filing emanating from Germany (-14.2%) and the US (-8.9%) likewise saw considerable declines.

(Source: official website of WIPO)

CNIPA Issued the Guidelines on Determination of Subject Matter of Utility Model Patent

On November 3, the China National Intellectual Property Administration (CNIPA) released the Guidelines on Determination of Subject Matter of

Utility Model Patent, which summarize in detail the provisions and examples relevant to the subject matter of utility model patent protection in five aspects: the relevant requirements and determination elements, the products, shape and/or structure, technical solutions involved in the common situations in which determination is made of the subject matter eligible for the utility model patent protection, and the precautions for the determination of subject matter during the drafting and prosecution proceedings of utility model patent applications, with an aim to guide innovators to accurately understand the boundaries of the subject matter of utility model patent, so as to improve the quality of drafting and prosecuting of utility model patent applications, and to boost the high-quality development of the utility model patent system.

(Source: official website of CNIPA)

CNIPA Issued the Guidelines for International Registration of Designs

On November 3, the CNIPA Released the Guidelines for International Registration of Designs, which are divided into: overview of the application for the international registration of designs, precautions in the examination procedure of the International Bureau, precautions for the CNIPA examination procedure, and the fees related to the international registration of designs, with detailed

summarization made of the application procedures, examination procedures and fees, with a view to help innovators efficiently and rationally use the Hague System for their global product promotion, and reinforce their industrial design innovation capabilities.

(Source: official website of CNIPA)

2022 IP Services Statistics Released by CNIPA

According to the statistics of the CNIPA, by the end of 2022, there were about 969,000 practitioners and employees engaged in the intellectual property service industry in China, an increase of 4.4% from the end of 2021. There were about 87,000 intellectual property service entities, a year-on-year increase of 3.9%. Among them, there were 4,520 patent agencies, a year-on-year increase of 15.0%; 71,000 trademark agencies, a year-on-year increase of 11.2%; more than 14,000 IP legal service providers, more than 9,000 IP operation service providers, more than 15,000 in IP information service providers, and more than 22,000 IP consulting service providers.

Among the 87,000 IP service entities in China, 64.5% are located in the Beijing-Tianjin-Hebei region, Yangtze River Delta region, Guangdong-Hong Kong-Macao Greater Bay Area, and Chengdu-Chongqing region. The representation rate of patent application by patent agencies was

81.5%, a year-on-year increase of 1.3%; and that of the trademark registration 88.3%.

(Source: official website of CNIPA)

2022 Patent Licenses Statistics Released by CNIPA

The CNIPA released the 2022 Patent Licenses Statistics, with the key information, such as payment methods, transaction amounts, and royalty rates specified in the altogether 7,781 licenses recorded before CNIPA. These licenses cover 17,967 patents, of which invention, utility model, and design patents account for 49.4%, 42.9%, and 7.7% respectively, and with an average of 2.3 patents per license. As for the method of payment of the royalties, there were 4,531 licenses paid at fixed or convertible amounts, accounting for 58.2%, with a total contract amount of RMB 14.55 billion yuan, and with an average amount of RMB 3.21 million yuan and an average license term of 3.6 years, 334 licenses paid according to commissions, accounting for 4.3%, with an average license term of 6.3 years, and 2,916 licenses paid free of charge, accounting for 37.5%.

(Source: official website of CNIPA)

2022 PPH Requests Statistics Released by CNIPA

As of December 2022, the CNIPA has launched Patent Prosecution Highway (PPH) pilot programs

with 30 national/regional patent offices, namely Japan, Germany, the Republic of Korea, the United States, Russia, Denmark, Finland, Austria, Mexico, Canada, Singapore, Poland, IP5 (referring to EPO, USPTO, JPO, KIPO and CNIPA), Spain, Portugal, the United Kingdom, Iceland, Sweden, Israel, Hungary, Chile, the Czech Republic, Egypt, the Eurasian Patent Organization, African Regional Patent Organization, Brazil, Malaysia, Argentina, Norway, Saudi Arabia, and France.

According to its PPH data, the CNIPA accepted a total of 5,167 PPH requests in 2022, of which 1,323 were made by applicants using the JPO' work results, 2,451 using the USPTO's work results, 857 using those of the EPO, 275 KIPO, 68 the German Patent and Trademark Office, and 44 the United Kingdom Intellectual Property Office.

It takes an average of 1.21 months from filing a PPH request with the CNIPA to issuing the first office action, and an average of 8.76 months to the grant or rejection of a patent application, with an average of 1.19 office actions issued.

According to the PPH data from the patent offices of the various countries, a total of 3,005 PPH requests were made using the CNIPA's work results. Of these, 2,035 PPH requests were filed with the USPTO, 303 with the JPO, 230 with the EPO, and 179 with the KIPO.

(Source: official websites of CNIPA & JPO)

An Overview of China's Utility Model Patent System and Interpretation of Latest Regulations

Mr. Feng XU, Partner, Patent Attorney, Panawell & Partners

The utility model patent, now one of the three types of patents in China, provides, together with the invention and design patents, an effective route to the protection of innovation achievements for most innovators. On November 3, 2023, the CNIPA released the Guidelines on the Determination of Subject Matter for Utility Model Patent (hereinafter "the Guidelines") with an aim to guide patent applicants to correctly understand the boundaries of the subject matter of utility model patents and to improve the quality of drafting and prosecution of utility model patent applications.

The Chinese utility model patents have the advantages of faster grant, less costs, and lower patentability requirements, with their patent value by no means significantly lower than that of the invention patents the grant of which requires substantive examination. Especially in the fields of products with short life cycles and gradual stages of innovation, the utility model patent is a powerful weapon to quickly crash competitors and crack down on counterfeit products. To this end, this article will be giving an overview of Chinese utility model patent system in the four aspects as drafting, examination, invalidation, and enforcement, and interpreting the specific provisions of the Guidelines, with advices to the innovators.

In terms of drafting, as regards utility model patents, it is necessary to first determine whether the subject matter to be claimed meets the provisions of Paragraph 3 of Article 2 of the Patent Law, that is, the basic requirements concerning the shape and/or structure of products and the technical solution using the laws of nature. Generally speaking, all tangible products with definite shapes meet the above basic requirements. Currently, the difficulty lies with the intelligent or smart hardware products which contain both improvement of hardware, and improvement of software, algorithms or artificial intelligence. In this regard, it is pointed out in the Guidelines that if improvement of the prior art lies in the hardware part and the computer program involved is known, it can be regarded as patentable subject matter. Furthermore, the Guidelines have also made it clear that a circuit that adopts a wired or wireless connection can also be considered as a circuit structure, and meets the patentability requirements.

In terms of examination, a utility model is patented in China only after it passes the preliminary examination. In the preliminary examination stage, the examiner would generally only point out obvious substantive defects, including, among other things, obvious lack of novelty. On the other hand, the inventive step of the application is generally not examined in this stage, but is evaluated only in the subsequent patent invalidation proceeding if any. As a result, the preliminary examination of a regular utility model

can be finalized within 6 to 8 months. Only if obvious defects are found with the application will the examiner issue an office action. Despite this, the average time for a utility model patent to get granted is generally less than one year. The Guidelines also point out that if comments on patentability issues are received in this stage, one may also consider to address them by presenting arguments or making amendments.

In terms of patent invalidation, since the CNIPA is relatively strict with the number of prior art documents that could be combined to evaluate the inventiveness of a utility model patent, even if they are low in inventiveness, the percentage of all invalidated utility model patents is the same as that of invention patents. This Firm, Panawell, has also executed or handled a large number of cases involving utility model patent invalidations. As our practice shows, the percentage of utility model patents being invalidated due to subject matter issues is low. We also feel that the key to the validity of the subject matter as a ground for invalidation lies in the innovation point of the technical solution. If the innovation point of the technical solution lies in the shape and structure of the product, even if a known method, operation step or material is involved in the technical solution, the known method, operation step or material is only considered to be a further description of the hardware or form of the product, and it would still be deemed to meet the subject matter requirements on the utility model. However, if the innovation point of the technical solution includes a

method (software algorithm, process flow, etc.) or material, it would be found contrary to the requirements on subject matter of utility model.

In terms of enforcement, we have encountered a large number of utility model patents when helping our European and American clients with their patent clearance assessment or FTO search, and we have also used utility model patents to deal with infringement complaints against counterfeit products on e-commerce platforms. Whether to make a patent risk assessment of another person's utility model patent or to enforce a utility model patent right oneself, one can make a quick preliminary analysis to determine the stability of the patent in accordance with the Guidelines on whether the utility model patent in question meets the requirements on the subject matter for the purpose to come up with a more targeted analysis and enforcement strategy, and avoid and eliminate the risk by means of invalidating these "non-standard" utility model patents if necessary.

Author:

Mr. Feng XU

Mr. Xu received his Bachelor Degree in Thermal Energy and Power Engineering in 2006 and Master Degree in Power Machinery and Engineering in 2008 from Huazhong University of Science and Technology. Mr. Xu worked as an examiner in CNIPA from 2008 to 2015, and joined Panawell in 2017. He specializes in patent drafting, prosecution, reexamination, invalidation, litigation, and infringement procedures in the field of mechanics.

Interpretation and Analysis of the Interim Measures for the Administration of Generative AI Services

Mr. Richard WANG, Partner, Patent Attorney, Panawell & Partners

In May 2020, OpenAI announced the beta version of the GPT-3 model, and then the official release of ChatGPT-3.5 in June 2022, thereafter, generative artificial intelligence (AI) quickly garnered widespread attention, turning a quite specialized technological domain of AI field into a topic of public discussion. On July 13, 2023, the Cyberspace Administration of China (CAC) released, jointly with six other Chinese government agencies, the Interim Measures for the Administration of Generative Artificial Intelligence Services (the Interim Measures).

This article will be generally interpreting and analyzing the Interim Measures, with an aim to explore its background, main contents, and potential impacts on the AI and Internet industries, and make suggestions for the reference of practitioners in the generative AI field.

1. Background

Generative Artificial Intelligence (also known as Generative AI or GAI technology), like large-scale pre-trained models based on deep learning (e.g. GPT), has made significant progress in recent years. These models have been developed to generate text, images, and audio, offering limitless potential in various applications ranging from text

summarization to creative writing, and from artistic creation to automated customer services. However, the widespread application of this technology has brought about a host of legal and ethical issues, such as ethical dilemmas in content creation, intellectual property disputes, misinformation circulation, and privacy issues, thus causing widespread concerns. It takes merely three months from the CAC release of the Measures for the Administration of Generative Artificial Intelligence Services (Draft for comments) on April 11, 2023, to the official implementation on July 13, 2023, which fully shows the importance the Chinese government has attached to the generative AI technology. It is rare also that up to seven State Council agencies of China collectively issue legal regulations on a very specific emerging technological application of AI technology, demonstrating the Chinese government's stance towards the industry's development amidst this wave of AI evolution, while establishing the basic norms for generative AI services to follow the requirements set forth in, among others, the Cybersecurity Law, Data Security Law, Personal Information Protection Law, and Science and Technology Progress Law of China.

The Interim Measures, a crucial legislation concerning generative AI in China, constitute, together with the Provisions on the Administration of Algorithm Recommendations of Internet Information Service (the Algorithm Recommendation Provisions) and the Administrative Provisions on the Administration of

Deep Synthesis of Internet Information Service (the Deep Synthesis Provisions), the key regulatory provisions in the AI and algorithm fields.

2. Main Contents

1) Scope of Application

The Interim Measures cover various aspects of generative AI services, including, but not limited to, natural language generation, image generation, text summarization, and cross-border service scenarios, aiming to include multiple application domains of generative AI service provisions from news media to advertising, from healthcare to creative industries, and other possible fields in the future.

The Interim Measures specify that services providing generated text, images, audio, or video to the public within mainland China using generative AI technology are subject to these regulations. Unlike its draft version, the Measures clearly exclude generative AI technology research and applications which do not provide services to the public in China. Therefore, for an AI service provider, if its generative AI technology is used only for internal research or applications, its compliance burdens are somewhat eased in the model training phase and internal operations, provided that cybersecurity, data security, and personal information protection laws and regulations are followed, which shows the Chinese government intention to encourage generative AI innovation and development.

2) Service Providers' Obligations

The lifecycle of generative AI is broadly divided into three stages: model training, application, and optimization. Those involved may include data collectors, data providers, model developers, service providers, and users. In practice, it is possible for data collector, data provider, model developer, and service provider to be one, or different entities cooperating with one another.

Probably for the legislative convenience, however, the Interim Measures only specify two types of entities, namely the generative AI service providers (providers) and users of generative AI services (users), with the scope of providers clarified, i.e., organizations or individuals providing generative AI services using generative AI technology (including those providing generative AI services through programmable interfaces, i.e. API). It's noteworthy that unlike the Deep Synthesis Provisions which distinguish between deep synthesis technology supporters, service providers, and users, the Interim Measures mainly address the characteristics of generative AI, centering on the providers' service provisions, and narrowing down their responsibilities to a certain extent, so as to better support the development of generative AI services. The rights and obligations existing among data providers, model developers, and service providers are likely to be regulated under the future regulations or their commercial contracts.

Furthermore, as the Interim Measures are sector

or industrial regulations, some of the provisions have already been set forth in the higher-level laws or relevant regulations. For example, obligations regarding compliance with laws, administrative regulations, respecting social morality and ethics, collection, use, and protection of users' personal data, data security, and protection of others' intellectual property rights, have all been laid out in, among others, the Cybersecurity Law, Algorithm Provisions, and Deep Synthesis Provisions.

The Interim Measures clearly state that in content management, providers, as online information content producers, should be responsible for network information security; when personal information is involved, providers shall also be responsible as personal information processors, obliged to protect personal information. In respect of training data, providers have the obligation to ensure legality, meet quality requirements, and do content labeling and algorithm debiasing to enhance authenticity, accuracy, objectivity, and training data diversity. In the rights and obligations in relation to users, providers are obliged to formulate service agreements, construct reasonable use and addiction prevention mechanisms, ensure service stability, and establish complaints and reports handling mechanisms to ensure users' effective use of generative AI services.

It is worth noting that, under the Interim Measures, if the generative AI service provision from outside to mainland China does not comply with legal and

regulatory requirements, the CAC would notify the relevant authorities to take technological, and any other necessary, measures to deal with the matter. Therefore, the Interim Measures do not prohibit generative AI service provision from overseas to China; however, in cases where such services violate Chinese laws and regulations, the Chinese government could take necessary measures to block the service provision, which means that the Interim Measures have a certain degree of regulatory effects on foreign service providers.

3) Punitive Measures

The Interim Measures lay out punitive measures for unlawful activities to ensure effective enforcement of the regulations. The penalties, primarily in line with the laws, such as the Cybersecurity Law, Data Security Law, Personal Information Protection Law, Science and Technology Progress Law of the People's Republic of China, include warnings or fines, suspension or revocation of relevant licenses, or criminal liabilities. However, it is important to note that for actions not specified under the above laws or administrative regulations, the relevant supervisory agencies still have the authority, based on their duties, to issue warnings and publicized criticism, or order corrections within a period of time for violations of the provisions of the Interim Measures. If a correction is refused or the circumstances are severe, the related service provision could be ordered to be suspended. For this special provision might have been made with account taken of the fact of the fast pace of

technological advancement versus the relatively slower legislation procedure, giving law enforcement officials with relatively larger flexibility in enforcement for them to respond emerging violations swiftly. However, this kind of penalty lacks explicit legal basis, and the interpretative authority of the law enforcement officials might be large or arbitrary, which might cause AI practitioners to encounter uncertainties with regard to their action or operation expectation. However, this relatively flexible and broad stipulation is not unique to the Interim Measures, as similar provisions are found in the Algorithm Provisions. For this matter, the AI practitioners should pay attention to them intensely.

3. Possible Impacts on AI Technology Development

The Interim Measures prescribe a set of obligations for participants in generative AI technology, encompassing not only model developers and data providers, but also service providers utilizing the models and the end users or consumers. Besides requiring providers to take measures, such as warning, function restricting, suspending, or terminating services when users are found engaging in unlawful activities using generative AI services. Providers are also required to report to the relevant supervisory agencies. Users, upon finding that the generative AI services do not comply with laws or administrative regulations, have rights to complain or report to the relevant supervisory agencies about the upstream model developers or service providers.

This mutual supervisory and restrictive relationship will compel generative AI technology providers to pay more attention to ethical and legal compliance to ensure the morality and legality of the technology. However, it may also cause generative AI service providers to restrict users' behavior when providing services to the public in order to avoid punishment on account of user abuse or misuse of their technology which leads to non-compliant content generation, and use technical measures to limit content generation or usage, or take further technological or manual means to monitor or filter generated contents, which not only increases the cost for service providers or makes it harder for them to develop their generative AI applications, but also impacts the users' experience in their use of the service.

Regarding the Interim Measures provision that for generative AI services with public opinion attributes or social mobilization capabilities, security assessments should be conducted under regulations, and formalities for the filing, modification, or cancellation of filing on algorithm performed under the Algorithm Provisions, this registration requirement and registration system are extremely worthy of attention by AI practitioners. The scope of public opinion attributes or social mobilization capabilities is explicitly defined in the Regulations on the Security Assessment of Internet Information Services with Public Opinion Attributes or Social Mobilization Capabilities issued by the CAC, including information service, such as the forums, blogs,

microblogs, chatrooms, communication groups, public accounts, short videos, online live broadcasts, information sharing, mini-programs and other information services or attached corresponding functions; and other internet-based information services providing public opinion channels or being able to mobilize the public to engage in specific activities. Therefore, if a service provider's generative AI technology involves the aforementioned services, not only should security assessments be conducted in accordance with the national regulations, but algorithm registration procedures also be fulfilled. It can be predicted that both domestic and overseas service providers offering generative AI technology services in China will basically and inevitably encounter issues of security assessments and registration. Since these regulations have just been introduced, the impacts on the development of generative AI technology in China will take some time to emerge.

Within a short time of one and a half years, three significant sector regulations concerning AI technology, namely the Algorithm Provisions (effective as of March 1, 2022), the Deep Synthesis Provisions (effective as of January 10, 2023), and the Interim Measures have been formulated by the relevant supervisory agencies and entered into force, which demonstrates the Chinese government's intention to achieve technological innovation and economic growth in the AI field, while watching out its social, ethical, and security impacts, and making response in an effort to achieve balance between AI technology promotion

and related risks control by establishing a clear regulatory framework to oversee the application and development of AI technology. This represents a cautious attitude of the Chinese government towards the new AI technology to address the evolving technological and ethical challenges. It can also be anticipated that with the continuous advancement of AI technology, the Chinese government will formulate more rules or regulations to address new issues that would be triggered by the technological progress.

Mr. Richard Yong WANG

Mr. Wang received his bachelor's degree in 1991 from the computer science department of East China Normal University, his master's degree from the Institute of Computing Technology of the Chinese Academy of Sciences in 1994, and also the degree of master of laws from Renmin University of China in 2005. Mr. Wang joined Panawell in 2007. In the past years, Mr. Wang has handled thousands of patent applications for both domestic and foreign clients, and he has extensive experiences in patent application drafting, prosecution, reexamination, invalidation, administrative litigation, infringement litigation, software registration, and layout designs of integrated circuit.

Beijing Intellectual Property Court Released 10 Typical Cases of Patent Examination and Grant

... continuing from the article of the same title in October 2023 issue

On May 30, 2023, the Beijing Intellectual Property Court (BIPC) released 10 typical cases of patent grant and confirmation, and the following are cases 6-10.

Case 6: Patent Invalidation Case between Apple and Qualcomm

Case Refs.: (2019) Jing 73 Administrative First Instance No. 7916 & (2022) SPC Administrative Final Instance No. 314

This case involves the interpretation of the method of amendment to "further limit the claims". In this case, it was held that the patentee not only added multiple claims, including independent claims, but also technical features that were not disclosed in the claims and description of the grant document, thus resulting in a new technical solution, making the amended claims unexpected by the public. It is hard to say the amendment has narrowed the scope of protection of the original claims; what's more, it impacted the hierarchical relationship between the original claims, so the amendment obviously went far beyond the proper scope of amendment to the claims in the invalidation proceedings. The adjudication reflects the balance between the interests of the public trust and the technical contribution made by the patentee. Also,

this case involves an intellectual property dispute between two internationally renowned technology companies, and also demonstrates the court's attitude towards enhancing intellectual property protection and its efforts to create a market-oriented, law-based international business environment in China.

Case 7: Invalidation of the Patent Relating to Mabaloxavir Precursor Compound

Case Ref.: (2021) Jing 73 Xingchu No. 5028

The compound claimed in the patent at issue involves the prodrug of mabaloxavir, which is currently the only "single-dose" oral anti-influenza drug in the world. This case discusses one of the difficulties in the field of pharmaceutical compounds, that is, whether the claims of the Markush compound could be supported by the description. Based on the overall content disclosed in the description, especially the distribution of effect embodiments, the judgment accurately evaluated the technical effects that could be obtained from the description on the basis of clarifying a series of relationships between the prodrug, the parent compound, and their respective effect experiments, and thus found that the Markush claim was supported by the description. At the same time, in response to the parties' claims, the judgment pointed out that there is no difference in the criteria for judging Markush claims and other types of claims on the issue of whether they are supported by the description. The way the judgment has been made in the case offers

important reference for trial of cases of the type.

Case 8: Case of Disclosing Technical Information in the WeChat Moments

Case Refs.: (2018) Jing 73 Administrative First Instance No. 7134 & (2020) SPC IP Administrative Final Instance No. 422

With the development of online self-media, more and more cases have begun to focus on the issues of "whether cyberspace that needs to be authorized to access, such as the WeChat Moments and QQ zone, can be used as the carrier of prior art/design".

The above-mentioned social media platforms are both open and secret, and views on whether the contents recorded in them constitute prior art/designs within the meaning of the Patent Law are very much divided in the examination and judicial practice. In this case, it is held that QQ zone has the dual characteristics of openness and secrecy, and it is not possible to generalize as to whether any content of the QQ zone album constitutes an existing design, but comprehensive account should be taken of all the factors, such as the main purpose of QQ zone, the time when the pictures were uploaded, and the disclosure of the pictures, in determining whether the relevant information is accessible, and when the information is known, to the public. This case provides rules for the determination of prior art/design in the Internet environment.

Case 9: Invalidation of the Patent of International

Textile Group

Case Ref.: (2018) Jing 73 Administrative First Instance No. 3826

In this case, the court, upon analyzing the impact of multiple factors, such as the type, fineness, fabric density, fabric structure, and proportion of filament yarn and staple fiber yarn on the two technical effects of softness and strength performance, concluded that as long as the patent at issue reached a certain technical effect that was not expected by a person skilled in the art, it could be considered to have achieved unexpected technical effect. However, in this case, the "unexpected technical effect" was not taken into consideration alone in the inventive step judgment, rather it was taken as an auxiliary consideration after the non-obviousness of the patented technical solution in question was determined, thus deepening the judge's conviction in the inventive step judgment. This case is one of the few cases in the judicial practice of patent examination that inventive step is claimed on the basis of obtained "unexpected technical effects", and the claim is upheld by the court. The case is typical, and offers an important reference in highlighting inventive step on the basis of technical effect.

Case 10: Patent Invalidation Case between Optical Cell and Huawei

Case Ref.: (2019) Jing 73 Administrative First Instance No. 10816

In this case, the technical problem to be solved is

"how to improve the efficiency of wireless resources when reporting the receiving status of the PDCP service data unit", rather than "how to set the specific format of the PDCP status report" as determined by the invalidation decision at issue. The judgment held that if the technical effect contains different levels, not all levels of technical effect should be recognized as the technical problem actually solved. The level of technical effect that needs to be identified as a "practical solution" depends on which problem is the closest to the problem that "needs to be solved" by the prior art. In this case, the issue of "improving" efficiency will only be involved if there are different formats of receiving status reports that can be compared, and the reference does not disclose any format for receiving status reports, so the technical problem that needs to be solved by the reference does not involve "how to improve" efficiency, and it is still in the stage of "how to set up" the status report format. This case is of normative significance for accurately identifying the technical problems actually solved in the judgment of inventive step.

(Source: official websites of BIPC)

What Are the Benefits of Trademark Monitoring?

Trademark monitoring refers to trademark proprietors' collection and analysis of trademarks identical with or similar to their registered trademarks online or in the market through continuous search. Effective trademark monitoring helps enterprises cope with market risks.

Effective trademark monitoring has many benefits for a right holder. First, he or it can promptly file an opposition, or request for invalidation or administrative investigation and punishment against any infringement because of a trademark that is similar to his or its registered trademark and is likely to cause confusion among consumers, so as to eliminate potential confusion and prevent others from pampering famous brands and diluting the goodwill of his or its own brand.

Second, the right holder can find out, on the sideline, the dynamic business situations and brand layout or distribution of his or its competitors in the industry, and adjust his or its own strategic planning and brand strategy in a timely manner.

Third, the right holder can check and fill in the gaps in the trademark monitoring, grasp the changes of his or its trademark, and quickly respond to the abnormal situations of some trademark being rejected, opposed, invalidated

or "cancelled" to protect the exclusive right to use his or its own trademark.

In short, trademark monitoring is one of the effective ways for right holders to protect their trademark rights. Practical and effective trademark monitoring can not only stop acts of illegal preemptive registration that hinder the development of their enterprises in a timely manner, but also help them save the cost for trademark rights enforcement.

Ms. Xiaoli SU Promoted to Partnership



Upon the recommendation of Mr. Richard Yong Wang and Mr. Alex Bo Wang, partners of Panawell, the general meeting of the Firm's partners has decided that Ms. Xiaoli Su be promoted to be a partner after review of her performance and her own defense.

Ms. Su graduated from Shandong Normal University in 2003 with a bachelor's degree in engineering. In the same year, she was admitted to the Institute of Computing Technology, Chinese Academy of Sciences to study for a doctorate. After graduation in 2010, she joined Panawell.

We hereby express our heartfelt congratulations to Ms. Su, and wish her to forge ahead and continue to deliver outstanding performance in her future life and career.

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