



NEWSLETTER

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QUARTERLY

CELEBRATING THE 20TH ANNIVERSARY OF PANAWELL



Cover: Interior of office block where Panawell locates

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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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Celebrating Panawell's 20th Anniversary

July 25th marks Panawell's 20th birthday. On this special occasion, we would like to congratulate all the Panawell employees, expressing our sincere appreciation to those who have left and who are still with us, contributing to the growth of Panawell, and extending our deep gratitude to our clients in China and overseas.



2007年年会与高存秀老师合影

Panawell Colleagues with One of the Firm's Founders, Ms. Cunxiu GAO (Deceased), at the Annual Meeting in 2007



2013年杭州千岛湖

Panawell's 2013 Company Trip to Qiandao Lake, Hangzhou



2018年阳朔-侗家村

Panawell's 2018 Company Trip to Dongjia Villiage, Yangshuo



2022年延庆世园会

Panawell's 2022 Company Trip to the International Horticultural Exposition Park, Yanqing

CNIPA Released White Paper on IP Protection Status in China in 2022

Recently, the China National Intellectual Property Administration (CNIPA) released the White Paper on Intellectual Property Protection Status in China in 2022, briefing the progress made in the intellectual property protection in China in 2022 from the following prospective.

First, in terms of protection effectiveness, protection of the entire chain of IP rights has been constantly enhanced, with remarkable results achieved in all aspects. In 2022, the Chinese government continuously boosted the civil, administrative, and criminal adjudication of IP cases, taking multiple special administrative law enforcement actions, and strengthened intellectual property protection in the major areas of patents, trademarks, copyrights, Olympic symbols, new plant varieties, unfair competition, as well as the key areas or links, like the Customs protection and online markets, intensifying efforts to crack down on acts of abnormal patent application and bad faith trademark registration, carrying on national pilot projects for trade secret protection and innovation, and boosting the mechanisms for responding to overseas IP disputes.

Second, in terms of institutional construction, the institutional system has been constantly amplified, and positive progress made in building the rule of law. In 2022, three IP-related laws and regulations were amended and entered into force in the year, two judicial interpretations related to IPR protection released, and more than twenty normative and policy documents related to IPR protection issued and implemented, making it possible for the positive progress to be made in the regional comprehensive legislation on IPR protection.

Third, in terms of examination and grant, the number of intellectual property right examination

and registration kept on rise, and the quality and efficiency of examination were steadily improved. By the end of 2022, the number of valid invention patents in China had reached 4.212 million, a year-on-year increase of 17.1%; the number of valid registered trademarks in China 42.672 million, a year-on-year increase of 14.6%; a total of 2,495 GI products granted protection; and in the year, 11,000 applications for new agricultural plant variety rights were received, a year-on-year increase of 15.2%, and 3,375 granted the plant variety right.

Fourth, in terms of cultural construction, publicity channels have been effectively expanded to help the whole society further enhance its awareness of intellectual property protection. A special press conference on "Intellectual Property in the Decade" was held to systematically sort out the developments and achievements made in the IPR's cause; 10 white papers and a series of reports related to IPR protection released, and typical cases of intellectual property protection publicized; and important activities, such as the National IPR's Awareness Week, successful organized.

Fifth, in terms of international cooperation, multilateral and bilateral cooperation has deepened and achieved fruitful results. The Hague Agreement Concerning the International Registration of Industrial Designs and the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled entered into

force in China. The IP-related elements of the Regional Comprehensive Economic Partnership was implemented with high-quality achievements made. The China-EU Agreement on Protection and Cooperation of Geographical Indications was earnestly implemented, and the second batch of lists of GI products for China-EU mutual recognition and mutual protection publicized.

(Source: official websites of CNIPA)

China Released Anti-Monopoly Guidelines in the Field of Standard Essential Patents (Draft for Comments)

In order to prevent and stop market players from abusing standard essential patents (SEPs) to eliminate or restrict competition, protect fair competition in the market, promote the coordinated development of intellectual property rights and standardization, encourage innovation, and protect consumer rights and interests and social public interests, the State General Administration for Market Supervision has drafted and released the Anti-Monopoly Guidelines in the Field of SEPs (Draft) for comments .

(Source: official websites of the China State General Administration for Market Supervision)

CNIPA Soliciting Comments on

Standards and Specifications of Request Forms and Electronic Filing Data of Patent Applications

According to the CNIPA's "Letter on Soliciting Comments on the Standards and Specifications Related to Request Forms and Electronic Filing Data of Patent Applications to be Issued by CNIPA" to the All-China Patent Attorneys Association in May 2023, CNIPA, with a view to harmonizing with the implementation of the upcoming newly amended Implementing Regulations of Chinese Patent Law, intends to make the following amendments to the standards and specifications related to patent application request forms and electronic application data:

1. Proposed New Forms

- Request form for priority restoration
- Declaration on incorporation by reference
- Request form for change of bibliographic data of multiple applications/patents

2. Proposed Changes to Existing Forms

- Adding the new columns, "incorporation by reference" and "request for deferred examination", to the Utility Model Patent Request Form
- Changing the options for period of deferred examination in the Design Patent Request Form to 1 to 36 months, from one/two/three years

3. Proposed New Requirements for Application Documents

- New requirement for Abstract, Claims, Description, and the Brief Description of Technical Solution: The word height should not be less than 3.5 mm.
- New requirements for Drawings: Drawings should be drawn using drafting tools, including computers, and the lines should be uniform and clear and deep enough, and should not be altered, and no engineering blueprints should be used. Drawings are generally drawn in black ink, and if necessary, color drawings can be submitted to clearly describe the relevant technical content of the patent application.
- New requirements for the Title of Invention: It should be short and precise. It generally should not exceed 25 words; and in any case, it should not exceed 60 words.

These amendments are to be in effect from the effective date of the upcoming newly amended Implementing Regulations of Chinese Patent Law, and on that date, the corresponding old forms and electronic filing data standards and specifications will simultaneously cease to be used. After the effective day of the new Implementing Regulations of Patent Law is determined, CNIPA will release a notice on its official website.

(Source: official notice of the All-China Patent Attorneys Association)

CNIPA Released Patent Transfer and Licensing Contract Templates and Guidelines

Recently, the CNIPA has notified on the patent transfer and license contract templates and the guidelines for signing them. In order to provide more standardized, convenient and efficient patent right transfer and patent license registration services, guide interested parties to better prevent legal risks, protect their legitimate rights and interests, and promote patent transformation and utilization, CNIPA has revised the Guidelines for Patent Transfer Contracts (Templates) and the Signing Guidelines, and the Patent Licenses (Templates) and the Signing Guidelines .

(Source: official websites of CNIPA)

China Released Guidelines for Determination of Abnormal Patent Application Acts and Post-Determination Procedures

Under paragraph one of Article 2 of the Measures for Regulating Patent Application Acts (i.e. the CNIPA Announcement No. 411), "the abnormal patent application acts referred to in these Measures shall refer to acts by any entity or individual filing various types of patent applications alone or in collusion, representing others in applying for patents, and transferring patent applications or patents, not for the purpose of

protecting innovation, not on the basis of real invention and creation activities, and to obtain improper interests, or to fabricate innovation performance and service performance records".

The promulgated Guidelines for Determination of Abnormal Patent Application Acts and Post-Determination Procedures, which are meant to standardize the circumstances of abnormal patent application acts determination, to set forth the procedures for investigating and handling such acts, and to lay out the operating procedures, have provided the legal bases and operational guidelines for determining and handling abnormal patent application acts.

(Source: official notice of CNIPA)

A Brief Discussion on Subject Matter Protectable by Utility Model Relating to Computer Programs

Ms. Qing QIN, Patent Attorney, Panawell & Partners

Article 40 of Chinese Patent Law provides that if the Patent Office, when examining a utility model patent application, finds no grounds for rejection upon the preliminary examination, the Office shall decide to grant a utility model patent. As is shown, utility model patents are not subject to the substantive examination, and what are often encountered in the process of examination of such applications are issues of industrial applicability, rather than those involving inventive step.

With the technological development and progress, more and more invention-creations made in the field of electronics rely on software features, such as computer programs, to make them work. In the recent examination practice, we have noticed that examiners tend to consider such technical features defined using computer programs not to be subject matters for utility model patent protection. Following is a discussion focusing on how to apply for utility model patents claiming technical solutions containing computer program features and argue for their patentability.

I. Relevant Provisions of Current Patent Law and Examination Guidelines

Paragraph 3 of Article 2 of the Patent Law stipulates that, a utility model refers to a new

technical solution which, suitable for practical use, is made in relation to the shape, structure, or their combination, of a product.

Moreover, the following is provided in Section 6.1, Chapter Two, Part I of the Guidelines for Patent Examination:

A utility model patent only protects a product which should be manufactured in an industrial process, have a definite shape, structure, and occupy a certain space. All methods and naturally occurring objects that are not artificially made are not subject matters eligible for utility model patent protection. These methods include, among other things, methods of manufacturing, use, communication and processing, computer programs, and use of products for specific purposes.

An invention-creation may include improvements to the shape or structure of a product, as well as improvements to the particular method or process used to make the product, or materials that make up the product themselves. However, a utility model patent only protects a technical solution improving the shape and/or structure of a product.

The name of a known method may be used in the claims to define the shape and structure of the product, but shall not contain the steps, process conditions, etc. of the method.

Anything that claims both feature of shape and/or structure, and improvements made to the method itself, such as technical features that define the

manufacturing method, method of use, or computer program of the product is not subject matter eligible for utility model patent protection.

As is shown in the above-mentioned relevant provisions of the Patent Law and Guidelines for Patent Examination, the utility model patents only protect products. We note that the recent patent examination practice have further underscored the requirement that if the claims contain both shape, structure and process features, it should be ensured that they do not contain improvement made to the method itself, or that the method feature is known in the art. These points are further elaborated in a study of the specific cases below.

II. Case Study

Case One

In Case One, claim 1 comprises a feature that "*a processing device, configured to receive at least one of face images, iris images and retinal images collected by the multimodal biological information collection device, and determining identity information matching it based on the images*".

In the office action, the examiner held that the above feature involves computer program, the solution of the technical problem relies on computer program, and the description shows that the improvement of the technical solution lies in the computer program, that is, it essentially contains an improvement made to the method itself, so it is not a subject matter eligible for the utility model patent protection as stipulated in the Patent Law.

In further communication with the examiner, the examiner considered that the processing device in the technical solution of the claims involved computer program and that no evidence could prove the feature was known to the public.

In this regard, the applicant searched around the above feature, and cited the reference document CN113014543A in his response, pointing out that the main device 204 in CN113014543A (equivalent to the processing device of the present application) is based on the received biological data for identification, and the biological data may specifically include data collected by the subordinate device 202 to identify the user's biometrics, such as fingerprint data, face images, iris data, retina data and other physiological feature data. Accordingly, the applicant argued that CN113014543A disclosed the said feature in claim 1, the feature was well known in the art and did not constitute the improvement point of present application; hence the claims of the application did not contain any improvement made to the method itself, and were subject matter for utility model protection as stipulated in the Patent Law. In the end, the examiner accepted the applicant's argument and granted the utility model patent.

Case Two

Claim 1 of Case Two comprises a feature that "a judgment module for identifying a data version of the main module and the backup module, and based on the data version, controlling the update module writing data from the main module to the

backup module or controlling the import module importing data from the backup module to the main module".

In the office action, the examiner commented that realization of the above feature required improvement or development of specific computer program according to the needs, and since computer programs were method features, the technical solution essentially contained an improvement to the method itself, and they were hence not subject matter eligible for the utility model protection as stipulated in the Patent Law.

Although this utility model application had been drafted in such a way that the individual modules are functionally defined and the relationship among them limited, the examiner still determined whether its function could only be realized by software means, such as computer program, and further determined whether its improvement related only to the method itself. Therefore, in the latest examination practice, the issue of subject matter of utility model protection cannot be avoided simply by functionally defining the individual modules in the drafted claims.

In further communication with the examiner, the examiner pointed out that if the applicant considered the said feature as well known in the art and that they did not constitute the improvement point of present application, he should provide corresponding evidence. In response, the applicant cited an reference document CN114371960A to prove that this feature

is known in the art, and do not constitute the improvement point of present application, and hence the claims of the application are subject matter eligible for utility model protection as stipulated in the Patent Law.

III. Enlightenment

For utility model applications relating to computer programs, it should, first of all, be considered whether the invention point contains an improvement to the method itself and whether it is a subject matter eligible for utility model protection. If an improvement to the method itself exists in the technical solution, or the product or structure shall be manufactured by a new method, it is recommended that the applicant change the type of application to an invention application, or file a new invention application for the method itself; and where the technical solution involves a method but the method is known in the art, it shall be considered a subject matter eligible for utility model patent protection.

At the same time, it is particularly important to note that for a utility model patent application that claims a technical solution comprising a process or software feature, it should be possible for the application documents to prove that the invention point only lies in the hardware feature, not in the software or process feature. That is, the applicant should clearly state and explain in detail in the description that the relevant method is known in the art, and he is able to provide evidence to show it is prior art when the examiner challenges it, so

as to make things conducive to any subsequent argument and modification that are likely to be made.

Author:

Ms. Qing QIN

Ms. Qin received her degree of Bachelor from Shandong University in 2013, and her master's degree from Shandong University in 2016. Ms. Qin joined Panawell in 2019, and she specializes in patent search, drafting, prosecution, reexamination, invalidation, litigation and counseling in the field of optics, physics electronics, communication, and etc.

Thoughts on "Like Case Like Judgment" in Trademark Registration Examination

-Case Study of Trademark Application for a School Name

Mr. Chunxi GUO, Attorney-at-Law, Panawell & Partners

Article 10 of the Trademark Law of China provides for the "absolute grounds" prohibited for trademark registration and use. Among these, Article 1 (7) stipulates that signs that are deceptive and likely to mislead the public about the quality and other characteristics of goods and services, or the place of origin, shall not be used as trademarks. Based on this, the Trademark Examination and Hearing Guidelines requires that when examining a trademark application, examiners shall verify whether a sign containing an enterprise's name is

substantially different from the applicant's name.

However, in certain cases, examiners of the CNIPA and the judges of the relevant courts have different opinions in finding and judging. They even occasionally make vastly different or diametrically opposite decisions in the same circumstances, meaning trademark applicants will struggle to anticipate their applications and results.

On March 27, 2020, the CNIPA refused a trademark application filed by a British applicant, the Pocklington School Foundation, in class 41. The application was in respect of education-related services, for its logo of Pocklington School (see Figure 1 below) operated and managed by itself. The text includes the Latin "VIRTUTE ET VERITATE", translated as "virtue and truth", the school motto. In English, there is "FOUNDED 1514" and "YORKSHIRE", which is when and where the school was established, and "POCKLINGTON SCHOOL", which is the name of the school.



Figure 1

The CNIPA cited the above provision of the Trademark Law, and held that "the sign is substantially different from the applicant's name,

and the use as a trademark for the services designated is likely to mislead consumers or relevant public, so it shall not be used as a trademark". The applicant was frustrated, and so requested reexamination with the CNIPA and filed administrative lawsuits with the Beijing Intellectual Property Court (BJIPC) and Beijing Higher Court (BJHPC), provided evidences including the official approval documents establishing the school, the facts of the school's existence of more than 500 years, and many online uses of the trademark in the UK also accessible to the relevant Chinese public; but the refusal was upheld.

Surprisingly, another applicant from the UK, Headington School Oxford Limited, filed a trademark application for the name "海丁顿学校 HEADINGTON SCHOOL" (See Figure 2 below) of the school established and operated by the applicant. The CNIPA held that "海丁顿学校" and "HEADINGTON SCHOOL" are the trademarks and trade names that have been used by the applicant for a long time, and Headington School is established and managed by the applicant, so the use of the trademark will not mislead consumers. And therefore the CNIPA preliminarily approved the application to be registered.

海丁顿学校
HEADINGTON SCHOOL

Figure 2

Comparing what the CNIPA concluded in the two cases above, in the Headington School Case the

examiners were persuaded to believe that "海丁顿学校" and "HEADINGTON SCHOOL" are the trademarks and trade names used for years already by Headington School Oxford Limited. Contrarily, this circumstance was not mentioned at all in the reexamination decision of the Pocklington School Case. We believe that the applicant in the Headington School Case also provided strong evidence of the long-term use of the trademark to prove that the inconsistency of the names does not bring about misunderstanding to consumers. This would have convinced the examiner to conclude that the name of the school included in the trademark is not different in substance from that of the applicant.

Confusingly, when the CNIPA invoked the above provision in the reexamination of the Pocklington School Case, it said that the trademark is materially different from the applicant's name. Further, it said the use of the trademark on the services outlined would easily lead to misunderstanding of the source and other characteristics of the services by consumers. However, in litigation, the Trial Court maintained "the trademark is materially different from the name of the plaintiff (applicant)" but said "the use of the trademark at issue in class 41 will easily lead to misidentification of the purpose, content, object and other characteristics of the services by the relevant public".

Further, the Court of Appeal, in its final judgment, merged the conclusions of the reexamination and

the Trial Court. On the one hand, it held that there was a substantial difference between "Pocklington School" and "Pocklington School Foundation", so the use of the trademark on the selected services would easily lead to misunderstanding of the source and other characteristics of the services. On the other hand, it unexpectedly added that "according to the regulations of the Ministry of Education and the Administration for Industry and Commerce, before the use of the words/characters like 'school' and 'kindergarten' in the name of a private school, it is necessary to obtain the corresponding administrative approval and license; therefore, the registration and use of the trademark will lead to misunderstanding of the relevant public about the qualification, content and quality of the designated services, in the absence of evidence to prove that Pocklington School Foundation has obtained the corresponding administrative license".

From the above, it is obvious that when considering whether the school name included in the sign is materially different from the applicant's name, there are at least different opinions among the examiners and judges as listed below:

1. Determining that there is a substantial difference immediately when the school name contained in the sign is not exactly the same as the applicant's name, and further determining that it may easily cause consumers to misunderstand the source of service.

2. Determining that the name of the applicant is not

substantially different from the school name in the trademark, if the applicant can provide strong evidence of long-term use of the trademark in reexamination to prove that the inconsistency of the names does not bring about misunderstanding by consumers.

3. Determining that misunderstanding about the qualification, content and quality of the designated services arises and the trademark is thus refused, if there is a word like "school" in the trademark, and the applicant could not provide evidence that it has obtained relevant administrative approval or license issued by the Chinese government.

In other words, the applicant in the Headington School Case, as a foreign operator applying in China for trademark registration for its school logo, will likely have its trademark refused, if it comes across an examiner having the third opinion above.

In fact, Chinese applicants have encountered the same problems. Beijing Weiming Shuren Educational Consulting Co., Ltd. once applied for registration of trademarks for "为明学校 1999WEIMINGSCHOOL" and its logo (See Figure 3 below), in class 41 for several Weiming Schools established by its affiliated company. But the application was refused by the CNIPA on the same grounds in accordance with the above provision of the Trademark Law.

The applicant submitted substantial evidence to the Trial Court to prove that most schools containing "为明" are its affiliates, and Qingdao

Weiming School and Guangzhou Weiming School authorized the applicant to apply for registration of the trademark. This was hopefully to prove that there was no substantive difference between the trademark and the applicant's name. The applicant luckily won in front of the Trial Court. However, the appellate court, by invoking the above provision of the Trademark Law, eventually upheld the refusal made by the CNIPA for the reason that "it is still hard to prove that the registration of the trademark is consistent with the common business practices and is likely to mislead the public about the source of service in the event that 'Weiming School' contained in the trademark is different from the applicant's name".



Figure 3

It is noteworthy that the applicant petitioned to the Supreme Court for a retrial. In the ruling, although the issue of "substantive difference" in the names was not directly addressed, the Supreme Court ruled that "if the meaning of the trademark differs from that of its services designated, it is easy for the relative public to misunderstand the characteristics and quality of the services". It further concluded that "although it is improper for the Trial Court to judge only from the perspective

of the difference between the trademark at issue and the applicant's name, it is not unjustified to conclude that it violates Article 10(1)(7) of the Trademark Law". The Supreme Court rejected the finding of the Court of Appeal regarding the substantive difference in the names.

Adding to the confusion, Article 1 of the Notice of the State Administration for Industry and Commerce (SAIC) and the Ministry of Education (MOE) on the Registration and Management of the Names of For-Profit Private Schools (Industry and Commerce Enterprise Note No. [2017]156) just states that private schools should be registered as limited liability companies or joint stock companies. This should be done in accordance with the relevant provisions of the Corporate Law and the Promotion of Private Education Law of China, and their names shall comply with the laws and regulations of company registration management and education. Obviously, the aforementioned first opinion directly conflicts with this provision.

From the above cases, when applying Article 10(1)(7) of the Trademark Law to examine whether a logo containing a school name is materially different from the name of the applicant, there is a lack of uniformity between the administrative and judicial authorities. This stretches to between courts at different levels, and even the interpretation and application of the law apparently conflicts with the existing regulations. This results in "different judgments in the like cases", causing severe confusion and failing to reflect the equality

before the law.

An important principle in the rule of law is to prevent and avoid arbitrariness or capriciousness in administrative and judicial decisions or judgments, and to implement "the like judgment in the like case". It is from the requirement of equality in the law in Article 33(2) of the Constitution, including the requirement that administrative and judicial authorities shall equally protect the legitimate rights and interests of citizens, and give the same legal treatment to similar cases. It is not only the embodiment of formal justice, the establishment of the credibility of the law, and the need to maintain social order, but also of vital significance in regulating discretionary power. Otherwise, it will inevitably lead to people's inability to reasonably expect the legal consequences of their own or other people's actions, causing chaos in the social order.

In view of the controversies of the cases discussed above, we attempt to resolve the relevant legal issues and provide some ideas and suggestions for the examination and trial of similar cases in future.

Article 10(1)(7) of the Trademark Law is to "require trademark users to be responsible for the quality of the goods on which a trademark is used, and if a trademark is deceptive, it is prone to cause misunderstanding to the public as to the quality or other characteristics of the goods or the place of origin, and misleading to consumers to consume on the basis of the misconceptions, thereby damaging their interests". We believe that the

the phrase "deceptive and likely to cause the public to misunderstand the origin or other characteristics of the goods" means that a trademark may cause the public to believe that the services provided by the use of the trademark is not related to the applicant. Thus, this would cause the public or consumers to presume that the subject shown in the trademark or other subjects affiliated with the subject provide the services and take responsibility.

Thus the Trademark Examination and Hearing Guidelines require that in trademark examination, it is necessary to examine whether the company name contained in the sign is substantially different from the name of the applicant. Therefore, the examination of whether the name contained in the mark is substantially different from the name of the applicant should not be mechanically compared word by word, but should be based on whether the applicant is materially associated with the subject shown in the trademark. Especially in the context of today's increasingly complex and diverse governance structures and the benefits of technologies, the public is familiar with and accepts the business model of division of labor and cooperation, and the sharing of brand resources between affiliated enterprises and institutions.

As long as there is such an association, it should be determined that there is no substantial difference between the two, and will not cause the public to misunderstand the source of the goods/services and other characteristic. And the

understanding of the public or consumers that the service provided by the trademark comes from the subject indicated by the trademark will not fundamentally mislead them about the source of the goods or services, and their interests will not be damaged as a result.

Even if the above regulation of the MOE and the former SAIC requires administrative approval for establishing private schools and using the words such as "school" and "kindergarten" in the names of private schools in China, it is only the condition for establishing private schools in China. This is instead of the application for trademark registration under the Trademark Law. In other words, China's Trademark Law never requires that an applicant must first establish a private school in China, and then obtain administrative approval and license to include the word "school" in the name before applying for a trademark.

If concluding that a trademark in respect of such services constitutes the relevant provision of the Trademark Law: "since no evidence has been submitted to prove that the corresponding administrative license has been obtained, the registration and use of the trademark will lead to the misunderstanding of the relevant public about the qualification, content and quality of the services", it is tantamount to creating an administrative license in addition to the Trademark Law. This obviously violates the Trademark Law and the relevant provisions of the Administrative License Law, and the consequences will be serious.

The requirement to provide evidence of obtaining such a license is similar to the one in the previous Implementation Rules of Trademark Law, in that the applicant of trademark registration for a pharmaceutical product must provide a certificate issued by the administrative department of health. However, such needs of industry-specific management should not be regulated through the interpretation of the provisions of Trademark Law but should be governed by the corresponding special law.

On the other hand, even if the relevant factors need to be considered, it should comply with Article 17 of the Trademark Law on the principle of reciprocity to determine foreign-related cases. This is provided that the foreign school subject has been approved by the government of its home country and bona fide exists. It is not only unnecessary but also unfair to require such applicants to obtain the corresponding administrative approval and license in China at the stage of applying for trademark registration.

Furthermore, there was a good example of a solution for this as early as 1994. Under Article 3 of the Notice of the Trademark Office of the SAIC on the Relevant Issues in the Acceptance of Trademark Registration Applications published on October 13, 1994: "According to Article 11 of the Implementation Rules of Trademark Law and Article 27 of the Drug Administration Law, foreigners or foreign enterprises shall provide the certificate of drug production issued by their home

countries (regions) when applying for trademark registration for pharmaceutical products."

Author:

Mr. Chunxi GUO

Mr. Guo received his bachelor's degree in automation science from Beijing University of Aeronautics and Astronautics in 2010, and then turned to study IP law and received an LLB from Renmin University of China in 2012, and an LLM in IP law from the John Marshall Law School in 2014. Mr. Guo joined Panawell in 2014, and specializes in IPR counseling, IP customs protection, unfair competition, anti-counterfeiting and anti-piracy, computer and copyright registration, domain name registration and disputes resolution, and patent drafting and counseling.

Interview with Mr. William Yang, General Manager of Panawell

*- Final of the Exclusive Interview Series Marking
Panawell 20th Anniversary*

Over twenty years of hardship and perseverance, we Panawell fellows have been working diligently to deliver our dreams.

Though we cannot see time, we are all witness of its power.

On the occasion of Panawell's 20th anniversary, we have planned a series of interviews. Let's follow the steps of our predecessors and colleagues, looking back at our developments, refreshing our emotional memories, drawing strength, and standing strong.

Twenty-year perseverance has brought glory. Wisdom and aspiration are foundation of success.

For the 13th interview, we have invited the General Manager, Mr. William Yang.



Mr. Yang, partner, lawyer and trademark attorney, was graduated from the Foreign Language School

of Sichuan Normal University, majoring in the English language and literature, and from China Renmin University Law School, majoring in the intellectual property law. He worked in the Ministry of Supervision of China and the Foreign Affairs Bureau of Central Commission for Discipline Inspection of the Communist Party of China, and received training in the intellectual property law at two U.S. law firms.

Mr. Yang has been engaged, for 27 years, in provision of intellectual property legal services to large, medium, and small enterprises, universities, research institutions and individuals in China and overseas, gaining rich and extensive experience in IP legal consultation, licensing, assignment, anti-unfair competition, and IP-involved litigation.

Mr. Yang is a member of the China Branch of the International Association for the Protection of Intellectual Property (AIPPI) and the China Branch of the International Federation of Intellectual Property Attorneys (FICPI). In 2014 and 2015, he was awarded the title of China Trademark and Copyright Lawyer Star by the British magazine Intellectual Property Management for two consecutive years; and from 2011 to 2021, he was named a recommended Chinese patent litigation attorney by the British magazine IAM for ten consecutive years. He was also enlisted in the Intellectual Property Expert Database by the Intellectual Property Office of the Beijing Municipal Government in January 2020.

◆ Tell us about why you joined Panawell? What are

the original aspiration and opportunity behind your professional practice?

As the saying goes, the cause is pre-determined and deeply believed. In 1988, I was graduated with an English major, and then accidentally admitted to the second bachelor program in the intellectual property law offered by China Renmin University. However, I was not, after graduation in 1990, able to get a position in the National Copyright Administration, Trademark Office or Intellectual Property Office as I had expected to. For they are the major intellectual property-related government agencies. After working for five years in the foreign affairs offices of the discipline inspection and supervision organs, I was unexpectedly recommended, in 1996, by a respected teacher, to China Patent Agency (Hong Kong) Ltd, one of the four major IP agencies in China, and worked there for 11 years. I provided IP legal services to large, medium and small clients in China and overseas, representing them in various types of cases, keeping on learning and accumulating experience to sharpen my insights and ideas for provision of professional IP-related legal services to my clients. It was my hope to put all this into full practice, and the chance came in the golden Autumn of 2006, when the skylight of fate brightly lit up again, and I and several like-minded colleagues got an opportunity to take over, as partners, the Panawell & Partners LLC, which had been incorporated three years before by two senior researchers of the China Academy of Sciences. This turned a new page in my life, and I began to lead Panawell into a

new era of providing its comprehensive intellectual property legal services to the domestic and foreign clients. Now my two sideburns have turn grey, but my original aspiration remain unchanged. With full gratitude, I'll strive to reach new heights in my professional practice.

◆ Tell us something you remember most clearly about your practice? What have inspired your most in the years of practice in your IP service provision?

Recalling the nearly 20 years of IP law practice in Panawell, there are many things that are unforgettable and touching and often set me reflecting on a lot. Here, I'd like to mention just a few:

In the Spring of 2007, after visiting a large company in the United States for a talk lasting hours, we found ourselves on a mountain road without any transportation to be found in the late evening. When we were anxious and helpless, an American lady drove up and gave us a ride to the downtown. Even today, the event is still fresh in my memory, and I feel quite grateful to her for the kind help she gave us.

In the early summer of 2008, we visited a German firm for the first time. Right after we told the German lawyers about our Panawell team and practice experience in detail and answered a few questions, the firm entrusted us with two patent applications. I was then very much moved, and the event is quite alive in my memory up to this day.

From 2020 to 2022, during the three-year epidemic, most of my colleagues overcame various difficulties and worked persistently in their posts, often, overtime, to finish their assigned work entrusted by our clients and to meet the deadlines in a careful and professional manner. This is something quite unforgettable to me.

Practicing in the IP industry for nearly 30 years, I've gotten many personal thoughts which I can briefly summarize in four terms: enthusiasm, persistence, professionalism, and change.

The IP law practice requires serious treatment and particularly cautious working attitude. and only passion for, and lasting enthusiasm in, IP legal service provision can inspire me, and help me to get my team come together, to move forward in time of stress, and to face all complicated challenges from unbearable legal consequences, tight deadlines, and cumbersome procedures.

This is an important industry that requires stress resistant capability. Only by always remembering our original aspiration and purpose, standing up to the challenges, and remaining strong willed, is it possible to give confidence and hope to, and win trust from, my team and clients.

This is an industry that requires continuous learning and thinking to provide better professional services, only with the professional capabilities, adequacy and service-oriented mentality can we meet the complex needs of our clients, well accomplish their entrustments, and win their

lasting trust.

This is an industry that requires constant adjustment and change of service provision methods, contents and adequacy in order to constantly adapt to the development and change of technology, law, needs, knowledge application, and nature of infringements. Only innovation and timely, positive and good adjustments and change can enable us to adapt, survive, and develop.



In June 2007, Mr. Yang visited a German firm with partner Ms. Jiang Hua



In 2017, Mr. Yang visited a Canadian firm with colleague Ms. Jane Wang of the Patent Administration Department

◆ This year marks Panawell's 20th anniversary, do you have anything to say to the Firm on this occasion?

With twenty years of ups and downs, constant trials have made us strong. Feeling deeply grateful, I'll continue to ride the wind and waves, remain committed and trustworthy to our Chinese and foreign clients, live up to their endurable trust, live up to my colleagues who accompany me all the way, and strive to attain new heights in our practice.

Let me quote three lines from the late famous poet Mr. Wang Guozhen's poem Love Life, as a message of encouragement to myself and my colleagues:

I don't think about whether I can make it or not

Now that the destination is set

All we will do is move on in all weathers!

We will strive hard, and pass on the torch of fine tradition,

With gratitude to you for the twenty years of companionship and witness.

With aspirations reaching far and wide,


Panawell, keeping its original intention and purpose as solid as rock, is ready again to take on the road to even greater success in the future.

When the wind and tide is good, it is time to set sail and start a new journey with rough waves and bright sunshine.

“Bishounen” Trademark Successfully Registered After Nine Years of Arduous Efforts: Difficulties and Enlightenments

The Case in Brief

The “Bishounen” brand sake, first brewed in Japan, has been produced and marketed in Kyushu, Japan since the 2020s. The brand name  (Bishounen, meaning handsome juvenile) was created by the then president of Nankaoru Shuzo Co., Ltd. (later renamed Meishōn Shuzo Co., Ltd.), who borrowed the term from the verse “Zongzhi is a natural and unrestrained handsome juvenile” in the poem entitled “Eight Immortal Drinking Songs” written by Du Fu, a Chinese Tang Dynasty poet. After it was registered in Japan, the trademark, together with the sake brewing business, was, due to business changes, transferred to NLA Co., Ltd. (NLA), and the trademark was later changed into “Corporate Bishounen”.

Since 2004, A Chinese natural person by the surname Feng has repeatedly applied for registration of a number of trademarks from Japan, including “Bishounen”, “”, “Yu Naiguang”, “Gaoqingshui” and “Kamo Tsuru”, and prominently used them in respect of sake and other products. He also claimed that the products came from Japan. Up to now, Feng has obtained registration of five “Bishounen” trademarks: Trademark Registration Nos. 22065677, 19242286, 16484591, 8848113 (“Cited Trademark 2” hereinafter), and 4067769 (“Cited Trademark 1” hereinafter).

In 2014, NLA applied for international registration of the “” trademark (No. G1192609) under the Madrid Agreement for extending the territorial protection of the trademark to China (the “Bishounen” trademark application). After examination, the Trademark Office rejected the application by citing Feng’s trademarks, namely the Cited Trademark 1 and Cited Trademark. On January 5, 2015, NLA filed a request for reviewing the rejection with the then Trademark Review and Adjudication Board (TRAB) and actively sought to remove the obstacles to its above prior rights.

➤ Regarding Cited Trademark 1

On March 9, 2011, a request was filed by some other party for cancellation of the trademark on the ground of non-use for three consecutive years, and the trademark was finally cancelled on September 6, 2015.

➤ Regarding Cited Trademark 2

1. Administrative Proceedings

On May 22, 2015, NLA requested, under Article 49 of the Trademark Law, the Trademark Office for cancelling the registration of cited trademark 2 on the ground that Feng had not used it for more than three years without justifiable reasons. In February 2016, the Trademark Office found, upon examination, that the evidence of use of the trademark provided by Feng was invalid, and decided to cancel the cited trademark 2. In March 2016, Feng filed an application with the TRAB for review of the cancellation decision, and submitted

additional evidence of use. In the cancellation review proceedings, TRAB determined that the evidence of use from Feng had formed a complete chain of evidence, which could prove that cited trademark 2 was used in respect of the designated goods, and thus made a review adjudication in January 2017 to uphold the registration of cited trademark 2.

In March 2017, TRAB issued a review decision rejecting the extension of territorial protection of the trademark application (No. G1192609) to China, as the registration of cited trademark 2 was upheld in the cancellation review proceedings.

Finding that the evidence from Feng in the case of cancellation of cited trademark 2 had serious defects, including, among other things, blurred photocopies, lack of supporting evidence of actual performance, and failure of the photos to show the specific time of use, NLA could not accept TRAB's cancellation review decision and the subsequent decision to reject the review decision, and decided to file an administrative lawsuit regarding both decisions.

2. Court Proceedings

In 2017, NLA filed an administrative lawsuit with the Beijing Intellectual Property Court (BIPC) in direction to the above-mentioned cancellation decision and the review rejection decision, requesting BIPC to suspend the hearing of the rejection review case (involving NLA's "Bishounen" trademark application) before the litigation ruling

on the cancellation review case (involving the cited trademark 2) was made. Unfortunately, BIPC did not support the suspension request.

Since the above-mentioned suspension request was not supported by the court, the proceedings involving NLA's "Bishounen" trademark application rejection review case proceeded. BIPC, in the first instance in April 2018, and the Beijing Higher People's Court (BHC), in the second instance in September of the same year, successively found that cited trademark 2 did not lose its legal validity and could be used as a valid cited trademark, it is not undue for TRAB to have found the trademark application (G1192609) contrary to the provisions of Article 30 of the Trademark Law, and rejected NLA's litigant claim accordingly.

On the other hand, after a long wait, BIPC finally heard the above-mentioned administrative lawsuit involving the cancellation review in 2019. In response to the plaintiff NLA's challenge to the evidence provided by Feng, the third party, BIPC specifically pointed out that the China National Intellectual Property Administration (CNIPA) should match the copy to the original when examining the evidence to verify its authenticity, and if it could not match the original, the witness will bear the consequences of inadequate performance of its burden of proof. BIPC ultimately supported the plaintiff NLA's claim. In Feng's subsequent appeal, BHC rejected the appeal in its final judgment in 2021, and upheld the original ruling. Finally, in May 2021, CNIPA made a review

decision, cancelling cited trademark 2 according to the above court ruling.

After receiving the above-mentioned cancellation review decision, NLA requested BHC for a retrial in October 2021 regarding rejection review lawsuit involving its "Bishounen" trademark application. After hearing the case, BHC held that the request for retrial met the legitimate circumstance where "there is new evidence sufficient to overturn the original ruling" as stipulated in paragraph two of Article 91 of the Administrative Procedure Law, and decided that the case should be retried by a collegiate panel reconstituted by BHC. According to Article 28 of the Provisions of the Supreme Court on Several Issues Concerning Trial of Administrative Cases Involving Authorization and Confirmation of Trademark Rights, since cited trademark 2 had been cancelled on November 13, 2021, the collegial panel reconstituted by BHC upheld NLA's claim, ruled to revoke the first-instance and second-instance rulings and rejection review decisions on the trademark application (G1192609), and ordered CNIPA to make a new review decision regarding the trademark. Finally, CNIPA made a new review decision in February 2023, approving the application for extended territorial protection of the trademark (No. G1192609) in China.

Difficulties and Enlightenments

(1) Options for Combating Registrations in Bad Faith

Articles 32 and 45 of the current Trademark Law stipulate that if an applicant preemptively registers, by unfair means, a trademark that has been used by another party and has a certain influence, the prior right holder or interested party may request the TRAB to declare the registered trademark invalid within five years from the date of registration. For bad-faith registrations, the owner of a well-known trademark is not subject to the five-year limitation.

However, in practice, it is difficult for foreign enterprises to provide evidence to request invalidation of a registered trademark on this legal basis. It is even more difficult for them to collect evidence to prove that their trademarks are used earlier and have certain influence in China and that the other party's preemptive registration is in bad faith. In addition, there is a five-year limitation for requesting invalidation. If the other party requests invalidation after five years of trademark registration, it is necessary to prove that his own trademark is well known, but establishing a well-known trademark requires more evidence to prove that it has extensive influence on the relevant sector of the public in the relevant market, which would make it much more difficult to adduce evidence to this effect.

Therefore, even in case of bad-faith pre-emptive

registration, it is not necessary to request invalidation. Instead, as Article 49 of the Trademark Law stipulates, requesting cancellation of a trademark on the ground of non-use for three consecutive years without justifiable reasons and re-registering one's own trademark is a more time-saving, cost-effective and effortless choice, and has also been adopted in practice by many enterprises under the advice of trademark attorneys. Under Rule 66 of the Implementing Regulations of Trademark Law, in cases where a registered trademark is cancelled on the ground of non-use for three consecutive years without justifiable reasons, the trademark registrant should submit evidence used in connection with the trademark before filing a cancellation request or explain the justified reasons for the non-use, as a cancellation request only requires explanation of the relevant circumstances, with relatively lighter burden of proof and significantly lower costs.

(2) Regarding Judge's Discretion

Under Article 51 of the 2017 Interpretation by the Supreme Court of Several Issues Concerning Implementation of the Administrative Procedure Law (now Article 87 of the Interpretation by the Supreme Court on Application of the Administrative Procedure Law), in the course of litigation, the trial of a case must be based on the outcome of the trial of the relevant civil, criminal or other administrative case, and with the relevant case pending, the litigation shall be suspended.

However, in practice, although the applicant may

request the court to suspend the trial, the judge has discretion as to whether the previous case will have an impact on the case and whether the trial should be suspended. What's more the court accepts a large number of cases and its case schedules are quite complex. To improve efficiency and reduce the backlog of cases, the judge may not allow the trial to be suspended. In the case under this study, the review and litigation proceedings involving the rejection of the application went in parallel with the application, review and litigation proceedings involving the cancellation of the registered trademark. Although the result of the registered trademark cancellation would substantially impact the outcome of the rejection review lawsuit, the judge ruled not to suspend the hearing. The first-instance hearing of the cancellation review did not start until 2019, thus very much lengthening the timeline, with greatly increased litigation costs of the parties.

(3) Regarding Choice to Push the Appeal

Article 31 of the current Trademark Law stipulates that if two or more trademark registration applicants apply for registration of the identical or similar trademarks in respect of the same or similar goods, the trademark filed first shall be preliminarily examined and publicized.

In the absence of the outcome of a cancellation lawsuit, it is a very difficult choice to proceed to appeal the outcome of the first-instance rejection lawsuit as it is not certain the appeal will win. However, the obvious advantage of filing an appeal

is that the trademark application (G1192609) would be kept valid, with the filing date preserved. As the application remains valid, once cited trademark 2 is successfully cancelled and the rejection review lawsuit is won in the second instance, then it is possible for NLA's "Bishounen" trademark to be registered. Conversely, if the appeal is not filed and the review decision rejecting the protection extension request takes effect, the NLA's "Bishounen" trademark application will no longer have the effect of blocking others from filing a later application. At this point, once someone files an application for registration of "Bishounen" or a similar trademark in respect of the same or similar goods, even if cited trademark 2 is finally cancelled and NLA immediately files a new registration application, the NLA's subsequent registration application will face a new registration hurdle: the Trademark Office will prioritize the registration of application filed by an earlier applicant. Therefore, while there will be some time and money costs due to the choice made to keep the original application alive as a result of the continued appeal chosen, the applicant can at least reduce the risk of any new obstacles that would otherwise arise to block his trademark registration.

(4) Regarding Determination of Evidence in Cancellation on the Ground of Non-use for Three Consecutive Years

Under normal circumstances, when examining evidence showing trademark use submitted by the registrant of a disputed trademark, the court will

require that the evidence to this effect meet the following basic requirements:

- i) the relevant evidence is authentic in form;
- ii) use of the trademark occurs within the specified period;
- iii) the evidence of use shows the existence of a disputed trademark logo; and
- iv) the disputed trademark logo is used in respect to the designated goods or services approved.

In this case, BIPC requested CNIPA to check the evidence submitted by the parties with the originals when hearing a trademark cancellation review case. In practice, many commercial entities lack the awareness of regulated use of their registered trademarks, and little evidence of trademark use is retained in their business operations, and some trademark right holders even have falsified evidence of trademark use in order to circumvent the provisions of the system regulating non-use of trademarks for three consecutive years. For this reason, it is particularly important for CNIPA to check the originals when examining evidence of trademark use. If a trademark right holder is unable to submit the relevant original copy of the evidence of use, thus making it difficult for the defendant or the court to determine whether or not the disputed trademark has been in public, truthful, and legal use within the specified period based on the copy alone, the holder shall bear the legal consequences of failure to provide evidence.

This case has offered something for CNIPA and the courts to draw on in their future hearing of such cases to stringently determine the authenticity and relevance of evidence in their examination of evidence. On December 4, 2022, CNIPA released, on its official website, the Explanation on Providing Evidence of Trademark Use, specifying in detail the requirements that should be met concerning evidence of trademark use, the specific forms of expression of trademark use, the circumstances under which trademarks are not deemed to be used, and the legitimate reasons for not using it for three consecutive years. We believe that in future trademark examination and trial, CNIPA and the courts will make clearer determination.

(5) Regarding Attorneys' Role

This trademark application case and the resultant review, cancellation and administrative litigation have involved professional legal issues that require careful study, professional advice and patient work on the part of experienced attorneys. In this case, the Chinese and Japanese attorneys, through years of cooperation, have established, between them, good mutual trust and full and close communication channels and methods. Faced with the uncertainty in terms of time and financial costs, and the final outcome, the attorneys of both parties have done their best to fully demonstrate their professionalism, experience and confidence in front of their applicant, have persuaded the applicant, won its understanding, support and cooperation, and finally arrived at the satisfactory

result.

Good results always come from long and hard work. Justice is ultimately done. In the case, the Japanese company Mizuki Co., Ltd. and the Chinese and Japanese trademark attorneys particularly deserve the admiration and appreciation for their constant efforts to seek justice, and they have also offered something for Chinese and foreign enterprises to learn from when they should encountering similar circumstances.

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