



2020.07

QUARTERLY

# NEWSLETTER

PANAWELL INTELLECTUAL PROPERTY



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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## Chinese Patent Law to Be Amended to Boost Patent Exploitation and Use

The second draft of the Amendments to the Patent Law was submitted to the 20<sup>th</sup> meeting of the Standing Committee of the 13<sup>th</sup> NPC on June 28 for consideration. Patent exploitation and use are key to turning innovations into productivity. The draft is intended to boost exploitation and use of patents by explicating the employers' rights of disposal of their service inventions-creations, and providing for an open patent-licensing system.

The draft explicates that employers are entitled to dispose of the right to apply for patent and the patent right in relation to their service invention-creations under the law to promote exploitation and use of inventions-creations. It also stipulates that the State encourage patentee employers to implement property rights incentives and enable inventors and designers to reasonably share benefits made from innovations by way of equity, options, and dividends.

The Patent Law is revised by the creation of a new open patent-licensing system. If a patentee declares in writing to the China National Intellectual Property Administration that he or it is willing to allow any entity or individual to exploit his or its patent and clarifies the manner and standard for paying the royalties, the CNIPA shall make an announcement and make the license open or available. Any entity or individual desirous to exploit the openly licensed patent shall notify the patentee in writing and pay for the royalties in the

manner and by the standard as announced, and then secure a license to exploit the patent.

The draft stipulates that during an open license, the patentee may also grant a licensee a general license upon negotiation with him or it on the royalties, but the patentee should not grant a non-inclusive or an exclusive license in relation to the patent.

The draft also provides that the CNIPA should strengthen the construction of a public patent information service system, publish patent information in a complete, accurate, and timely manner, provide the patent-related basic data, and publish the patent gazettes on a regular basis to facilitate the dissemination and utilization of patent information.

The draft also clarifies the issues relating to the protection of partial design of products, the amount of statutory damages for patent infringement, and the prohibition of patent right abuse detrimental to the public interests or the legitimate rights and interests of others.

*(Source: official website of CNIPA)*

## New Trademark Infringement Determination Standards Introduced for Harmonized Enforcement

With a view to deeply implementing the decisions and arrangements made by the Party Central Committee and the State Council for enhancing the

protection of intellectual property rights, strengthening the trademark enforcement guidance, harmonizing the enforcement standards, reinforcing the protection of the exclusive right to use trademarks, the China National Intellectual Property Administration has recently released the Trademark Infringement Determination Standards (hereinafter “the Standards”).

After the institutional reform of the Party and State agencies in 2018, the Central Government specifies that the CNIPA is responsible for guiding the work on trademark and patent enforcement and for “developing and guiding the implementation of trademark rights and patent rights confirmation and infringement determination standards”. The formulation of the Standards, as required by the institutional reform and, as well, practically needed to enhance the work on guiding trademark enforcement, represents a specific measure to implement the Opinions on Strengthening Protection of Intellectual Property Rights and the associated promotional plans.

The Standards, falling within the framework of the Trademark Law, functioning to guide the work on trademark enforcement, and resulting from the systematical sort-out and summary of the beneficial experience and practices in the administrative protection of trademarks over the years, have provided specific operational guidelines for the relevant law-enforcement agencies to deliver administration under the law, and will create an IP protection-pro environment

with high transparency and predictability for the sake of the market players. The Standards consist of thirty-eight articles, setting forth detailed provisions on issues relating to trademark use, identical-class goods, similar goods, identical trademarks, similar trademarks, likelihood of confusion, sales exemption, right conflicts, application suspension, and rightholder identification.

According to the relevant responsible person of the CNIPA Protection Department, the work that follows will be focused on interpretation of the policies underlying the Standards, strengthened training, and boosted implementation of the Standards. Efforts will also be made along the line of case-on-case guidance, typical cases, and provision of administrative answers, to mention just a few, to constantly improve the trademark work-related guidance system, improve law enforcement and protection, enhance the protection of intellectual property rights, and create a business-friendly environment.

*(Source: official website of CNIPA)*

## WIPO Launched Tool to Track Information on Members’ IP Policies during COVID-19 Pandemic

The World Intellectual Property Organization has launched a new tool in May to track changes in COVID-19-related intellectual property policies or other measures taken by the WIPO member states

in response to the global COVID-19 pandemic. This is the latest initiative in a series of measures taken by the WIPO to fight the COVID-19 pandemic.

The COVID-19 Intellectual Property Policy Tracker is an information database that helps all stakeholders understand the changes implemented by the global IP community as they adapt to the COVID-19 Pandemic.

*(Source: official website of WIPO)*

## PATENTSCOPE COVID-19 Index

The WIPO COVID-19 search facility of PATENTSCOPE will provide scientists, engineers, public health policymakers, industry actors and members of the general public with an easily accessible source of intelligence for improving the detection, prevention, and treatment of diseases such as the novel coronavirus.

"Given the drastic impact of the COVID-19 crisis on human health and welfare, the world needs easy access to every bit of information available for the successful innovation in the pursuit of vaccines, treatments and cures. Patent documents are rich sources of technological know-how acquired by humans over the centuries," said WIPO Director General Francis Gurry. "WIPO's new patent-searching tool will help disseminate information on technologies that others may build upon for the global fight against COVID-19."

At the time of release, the new PATENTSCOPE

search facility provides dozens of search queries specially curated by patent information experts who have identified technological areas relevant to the detection, prevention and treatment of COVID-19.

PATENTSCOPE contains over 83 million patent and related documents, provides comprehensive searching of patent information with multi-lingual search capabilities and an automatic translation system that uses artificial intelligence technologies for highly accurate results.

Via the new COVID-19 functionality, thousands of documents deemed of potential use to innovators working on COVID-19 mitigation efforts would be returned.

*(Source: official website of WIPO)*

## Work on Amendment to Utility Model Examination Guidelines Initiated

A task force or team for drafting amendments to the Patent Examination Guidelines relating to utility model patent has been set up, and is working actively along the line. Shujun QU, leader of the drafting team and Director General of the Utility Model Examination Department of the CNIPA leads the group in arranging the work division and task assignment, formulating the program on drafting the utility model-related amendments to the Patent Examination Guidelines, making a work plan, and working out a weekly meeting system.

The drafting team first solicited suggestions from all parties and industries, and based on this, further extensively listened to the opinions and comments of the innovators, agencies, examiners, and the public at large. On top of this, the team members analyzed the collected amendment proposals one by one, consulted the existing relevant research results, prepared proposed amendments within the team, and conducted in-depth discussions at the regular weekly meetings.

So far, the utility model amendment drafting team has finalized the work on analysis and discussion of more than 50 amendment proposals, and come up with more than 10 initial points of proposed potential amendments.

*(Source: China Intellectual Property News)*

## Non-Standard Item Filing Feature Added to Trademark Online Filing System

On May 20, the CNIPA Trademark Office announced that the non-standard item filing feature added to the Trademark Online Filing System was opened, and made available, to the public a few days before.

The addition will change the former way of submitting paper applications only when filing applications in relation to non-standard items. Applying for trademark registration through the online filing system, applicants now can not only

choose to report the disclosed acceptable items, but also fill them in themselves, which shows the full realization of the e-filing or online-filing of applications for trademark registration.

The non-standard items are found to be acceptable items that are not listed in the Classification of Similar Goods and Services, but whose names are specific, correct, and standard, and conform to the principles underlying the classification of goods and services. Applicants can formulate and report names of their items according to the relevant requirements. The Trademark Office will examine the names reported by the applicants. If an applicant's reported class or subclass is incorrect or the name of an item not standard, the Trademark Office will require the applicant to rectify under Rule 18 of the Implementation Regulations of the Trademark Law.

*(Source : China Intellectual Property News)*

## CNIPA and Court Said No to Bad-Faith Ride with SIEMENS Trademarks

As one of the world's leading electronic engineering and electronics companies, Siemens AG has a 140-year history of development in China tracing back to as early as 1872. With the development for one and a half centuries, the trademarks "SIEMENS" and "西门子" (the Chinese transliteration thereof and pronounced as "xi men zi" in Chinese) of Siemens AG also grow in repute and well-known among consumers in China.

Recently, the Beijing Intellectual Property Court closed two cases of administrative disputes over the invalidation of the "SIENXMZ" trademarks.

The registration of the two "SIENXMZ" trademarks (referred to as the disputed trademarks) involved in the cases were applied by, and granted to, a person by the surname Chen on August 3, 2015 in respect to goods, such as washing machines and kitchen electric devices in Class 7 and goods of air conditioning equipment in Class 11. The two trademarks are now both valid registered trademarks. On May 11, 2018, the Siemens AG filed invalidation requests with the prior Trademark Review and Adjudication Board (TRAB) of the State Administration for Industry and Commerce on the grounds that the disputed trademarks and its previously registered and well-known "SIEMENS" and "西门子 SIEMENS" trademarks (collectively referred to as the cited trademarks) constituted similar trademarks used in respect to goods of identical and similar classes under Article 30 of the Trademark Law. The TRAB, upon reviewing the cases, supported Siemens AG's above grounds, and adjudicated to have declared the disputed trademarks invalid. Dissatisfied with the TRAB's adjudication, Chen brought administrative lawsuits in the Beijing Intellectual Property Court. Upon hearing the lawsuits, the Beijing Intellectual Property Court held that the factors, such as the similarity of trademarks, similarity of goods, distinctiveness and repute of the cited trademarks, degree of attention from the relevant sector of the public, subjective intentions of the applicant of the

disputed trademarks, and interaction among all these factors should be determined on the standard of whether confusion is likely among the relevant sector of the public.

In the cases, the disputed trademarks are "SIENXMZ", purely composed of foreign letters. As the evidence from the third party shows, before the filing date of disputed trademarks, the trademarks of "西门子" and "SIEMENS" owned by the third party had established a long-term, stable and sole association, and had a relatively high repute.

The disputed trademarks "SIENXMZ" are similar to the distinctive part of the cited trademarks, "SIEMENS" in letter composition, pronunciation, and spelling, and it is difficult for the relevant sector of the public with ordinary attention to distinguish them when seeing them separately.

The disputed trademarks and the cited trademarks coexist in respect of the same or similar goods, which is likely to mislead the consumers into believing that they all come from the same person, or the providers are related in some special way, so these trademarks are confusingly similar. For this reason, the disputed trademarks and the cited trademarks have constituted similar trademarks used in respect of the same or similar goods under Article 30 of the Trademark Law.

Accordingly, the Beijing Intellectual Property Court ruled to have rejected Chen's litigant claims.

*(Source: official website of the Beijing IP Court)*

## Explanation of Amendments to Guidelines for Patent Examination 2019 (Part 3)

Excerpt from the official website of CNIPA

### (VI) Amendments Relevant to Standards for Examination of Human Embryonic Stem Cells

#### 11. Amendments Relevant to Standards for Examination of Human Embryonic Stem Cells (Section 3.1.2 of Chapter One in Part II and Section 9.1.1 of Chapter Ten in Part II)

Adapt to the rapid development of human embryonic stem cell technology and the urgent needs of innovators for patent protection of their related technologies, the amendments have been made to the Guidelines for Patent Examination (the guidelines) so that patent protection of "technologies for isolation of human embryos within 14 days of fertilization without in vivo development or acquisition of stem cell" is no longer completely excluded from patentability on the ground of Article 5 of the Patent Law.

Due to the limitation of technology, in the early days, human embryonic stem cells could only be acquired by destroying human spontaneous embryos, thus drawing scientific research on human embryonic stem cells into considerable ethical controversy. With the constant developments of science and technology, new technologies have been emerging in the field of human embryonic stem cells, and in vitro acquisition technology has become main approach

to obtaining human embryonic stem cells, which avoids the ethical controversy about obtaining stem cells from within the body. In particular, as blastocysts within 14 days of fertilization have not yet undergone tissue differentiation and neural development, there involves no ethical problem in obtaining human embryonic stem cells from blastocysts developed within 14 days of in vitro development. The first paragraph of Article 6 of the Ethical Guiding Principles of Human Embryonic Stem Cell Research promulgated by the Ministry of Science and Technology and the Ministry of Health stipulates: "Research on human embryonic stem cell shall be undertaken in compliance with the following mandates of conduct: (1) The time for in vitro culture of blastocysts obtained by way of in vitro fertilization, somatic cell nuclear transfer, unisex replication technical, or genetic modification shall not exceed 14 days from fertilization or nuclear transfer."

Since human embryonic stem cells have become a global research hotspot due to their infinite proliferation and differentiation tot potency, they have broad application prospects in the fields of disease treatment and regenerative medicine. With the in-depth study of human embryonic stem cells and the dawn of clinical treatment, for the best interests of the whole society, the present amendment has been made that patent protection of "technologies for isolation of human embryos within 14 days of fertilization without in vivo development or acquisition of stem cell" is no longer completely excluded from patentability on

the ground of Article 5 of the Patent Law, so that the purpose of giving appropriate patent protection to some embryonic stem cell research-related inventions is delivered, which, addressing the current "one size fits all" dilemma, complies with China's industrial and scientific research policies and meets the relevant ethics mandates.

#### (VII) Amendments Relevant to Provisions on Invalidation Proceedings

##### 12. Amendments Relevant to Provisions on Invalidation Proceedings (Section 3.3 of Chapter Three in Part IV)

Without prejudice to petitioners' right to file requests and in order to reduce the burden on such petitioners to fully explain the specific combination of various evidence, highlight issues involved in cases of dispute, and quickly resolve disputes between parties, the Guidelines have been amended clearly to the effect that where, in the invalidation proceedings, a petitioner submits a number of references and indicates that the combination comparison method is used, and there are two or more combination methods, the most important combination method should be analyzed first. If the main combination method is not specified, the combination method of the first set of the references is deemed to be the main combination method by default.

In the practice of invention and utility model patents invalidation cases, some petitioners overemphasize different combinations of evidence

and indiscriminately list a variety of evidence combinations to evaluate the inventive step of the claims, thus dragging interested parties into repeated lawsuits and reducing the efficiency of examination of the cases. This approach, causing procrastination of the oral proceedings, is not conducive to the rapid resolution of disputes between parties and substantially harms their interests. Therefore, this situation should be properly regulated or addressed. The amended provisions of the Guidelines do not harm the petitioners' right to file requests, nor lower the standard of requiring specific explanations. At the same time, clarifying the main claim of a petitioner in his request and highlighting the issue of dispute in a case is also conducive to improving the quality and efficiency of examination and to ensuring the due interests of both parties.

#### (VIII) Amendments Relevant to Supplementation of Fee-Payment Information

##### 13. Amendments Relevant to Supplementation of Fee-Payment Information (Section 7 of Chapter Two in Part V)

The Guidelines have been amended by deleting the description of the specific ways of supplementing fee-payment information, such as "by way of fax or e-mail". Regarding the time limit for, and way of, making the supplementary payment, a general statement is used that "the supplementation shall be made in a way provided for and required by the Patent Office on the day of remittance", with the second paragraph deleted concerning the specific

operational requirements when supplementing fee-payment information by fax or e-mail.

In order to further meet the needs of patent fee payers, promote the internet-plus-service processing model, so as to enable the access to services for more convenient and rapid payment information supplementation and reduce related payment errors, the Patent Office has developed the system for online supplementation and management of patent fee-payment information, as shown in the Guidelines in the general statement that “the supplementation shall be made in a way provided for and required by the Patent Office”, to replace the traditional fee-payment information supplementation by way of fax and e-mail. The specific method for supplementing fee-payment information will be publicized in separate announcements in a timely manner.

#### (IX) Amendments Relevant to Order of Examination of Three Types of Patents

##### 14. Provisions Relevant to Order of Examination and Prioritized Examination (Sections 8.1 and 8.2 of Chapter Seven in Part V)

The Guidelines have also been amended by deleting Section 3.4 of Chapter Eight in Part II and by adding a new section in Chapter Seven of Part V to centrally regulate the order of examination of applications for invention, utility model and design patents. Besides, in order to harmonize the amendments with the Measures for Administration of Prioritized Patent Examination, the provisions

relevant to prioritized examination have been adaptively revised, and the types of patent applications that are eligible for the prioritized examination at request have been expanded to cover all the three types of applications for invention, utility model and design patents. In addition, it has also been made clear that applications for invention patents filed by the same applicant on the same day are generally not eligible for prioritized examination.

The present amendments have been made along the line mainly to set forth centered and adaptive provisions concerning the order of examination and the specific circumstances where the prioritized examination is applicable. In addition, regarding the case where the same applicant applies for both the utility model and the invention patents for the same invention-creation or subject matter on the same day (referring to the date of filing only), since the time now for the examination of an application for the utility model patent is shorter than that for the examination of prioritized examination of an invention patent application, where the utility model patent application quickly goes through, and obtains the result of, examination and approval, the invention patent application filed on the same day is not eligible for the priority examination. In this way, the amended provisions have made it clear that the invention patent application of all the applications relating to the same subject matter filed by the same applicant on the same day is generally not eligible for the prioritized examination.

## 15. Provisions Concerning Delayed Examination (Section 8.3 of Chapter Seven in Part V)

The Guidelines have also been amended by the introduction or incorporation of a delayed examination system for invention and design patent applications, thus clarifying the timing for filing requests for delayed examination and the time limit of the delayed examination. A request filed for delayed examination of an invention patent application shall be submitted by the applicant at the same time when he requests the substantive examination, but the request for delayed examination of the invention patent application shall become effective from the date when the request for substantive examination takes effect. A request filed for delayed examination of a design patent application shall be submitted by the applicant at the same time when he files the design patent application. The time limit for the delayed examination may be 1 year, 2 years, or 3 years as requested by the applicant.

Applicants, now having more examination models to choose from, can make the examination cycle better coordinate and match with their market-oriented operation of their patents to meet the diverse needs of innovative entities and individuals. Specifically, people in some technical fields of invention hope to have more time made available with the delayed examination for them to consider and adjust the arrangement and scope of protection of the claims of their patents. As the time for examination of design patents is relatively

short, for some products undergoing a relatively long R&D time, the publicized grant of a design patent is often earlier than the time when the products incorporating the design are put on the market. Furthermore, since a design is characterized by the fact that seeing is obtaining, it is easy to be plagiarized. Disclosure of a design before the design right owner is fully prepared for its commercial application is likely to inflict damage to his commercial interests. For this reason, the amended Guidelines have introduced the delayed examination system for invention and design patent applications. However, due to its great patent-related "submarine" risk, the delayed examination of utility model patent applications is not incorporated in response to the public concern shown in their opinion feedback or comments. (The end)

## Tactics for Defending Inventive Step of Me-too Drugs in Pharmaceutical Chemistry

Ms. Feng HU, Patent Attorney, Panawell & Partners

Mr. Guangxun GUO, Partner, Patent Attorney, Panawell & Partners

In the field of pharmaceutical Chemistry, Me-too drugs are a type of important and common drugs. The Me-too drug R&D, mostly based on lead compounds proceeds to smother core structures while keeping the structure of the mother core unchanged. The advantage is that modification of

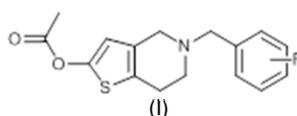
the lead compounds often results in better curative effect. The Me-too strategy is a new drug development strategy widely used in countries around the world. However, because Me-too drugs are obtained by changing the substituents of the lead compounds, their structures are similar or close to the lead compounds, and in the process of assessment of inventive step of patent applications in the field of organic chemistry, examiners usually believe that the conversion of the substituents is conventional technical means in the field, obtaining Me-too drugs is obvious, so Me-too drugs are often viewed as lacking inventive step<sup>[1]</sup>.

The key to the presence of inventive step or inventiveness of a Me-too drug is to prove that it has unexpected technical effect compared with the lead compound. In addition, if it is possible to prove that the very small difference in the modified locus structure will bring very big change in terms of performance. Then, the change is embodied in the very small variation in the locus structure, and it is obvious that it brings a compound of better performance. In this article, the authors will be exploring the tactics and skills of making defense in relation to the inventive step issue in the process of application for patents relating to Me-too drugs.

#### Case 1: US Patent Application 13/674,850

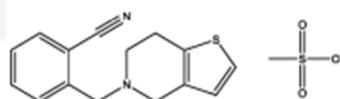
This US patent application relates to thienopyridine ester derivative containing cyano group, which has an antiplatelet aggregation activity. Claim 1 of the patent is directed to a compound with the structure of formula I or a pharmaceutically acceptable salt

thereof:

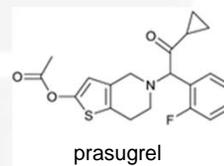


wherein, R is cyano group.

The examiner pointed out that the prior art disclosed the following compounds with anti-platelet aggregation activity,

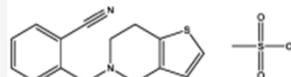


clopidogrel



prasugrel

and concluded that the compound of this application was equivalent to the thiophene ring of the compound of the prior art

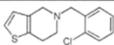
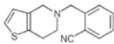
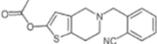
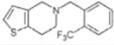
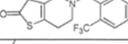
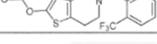


combined with an acetoxy group, and prasugrel contained the acetoxy group at the same position as the present application and retains the curative effect as an anti-platelet aggregation agent. Therefore, those skilled in the art were able to contemplate or think of the above-mentioned structural modification of the compound, and the present application did not possess inventive step.

In replying to the office action, the applicant filed

the following additional experimental evidence in the form of affidavit to argue against the examiner's opinions:

Table 1:

No.	structure	Inhibition Ratio (%)
1	Normal Control	-
2	 Ticlopidine	58.9
3	 5-o-Cyanobenzyl-4,5,6,7-tetrahydrothieno[3,2-c]pyridine	26.8
4	 Compound I-1 of the present invention	82.5
5		20.2
6		31.7
7		0.9

And the following comments were presented for inventive step of the application: As shown in Table 1, compounds 5 and 6 have structures similar to compound 3; however, compound 7 obtained by introducing an acetoxy group at the thiophene ring of compounds 5 and 6 exhibits a significantly reduced platelet aggregation inhibition ratio of 0.9% as compared with compounds 5 and 6, which could be viewed as basically inactive. Therefore, when introducing an acetoxy group at the thiophene ring, the obtained compounds may not retain curative effect, or even lose it. Nevertheless, compared with compound 3 disclosed in the prior art, the inhibition ratio of compound I-1 of the present invention obtained by introducing an acetoxy group on the thiophene ring has been unexpectedly more than doubled (82.5% is more than 2 times greater than 26.8%).

Also, the applicant provided some supplementary

experimental data in the affidavit, further verifying that the compound of the present application mentioned in the description, as compared with prasugrel, had achieved an unexpectedly significant technical effect of reducing bleeding side effects. All the above arguments were accepted by the examiner.

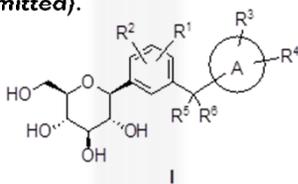
This application was eventually granted patent in the United States. Besides, the homogeneous patent applications filed in China, Europe, Japan, and South Korea also passed the inventive step examination, and were granted patent there on account of the similar defending arguments.

From the above case, we can draw following experience to help better deal with future cases of the kind. (1) Supplementing experimental data to further explain that the technical effects presented in the description is acceptable in many countries, and the data are required to be supplemented in the form of affidavit or declaration in the United States. (2) It is possible to provide compounds with poor activity as counterexamples to prove that changes in substituents at certain positions have significant effect on the activity of the compound, and obtained compounds with better activity is not achievable by conventional technical means. Counterexamples chosen are preferably those that directly prove the examiner's view untenable. In fact, an applicant, in his R&D of a Me-too drug, to obtain compounds with better activity or less side effects, often synthesizes a large number of compounds with different substituents, of which

many compounds have their effects, such as activities, are by no means ideal; (3) At the stage of drafting an application, one can incorporate some of the compounds with such poor effects into the description as examples for comparison to demonstrate the non-obviousness of the claimed compounds.

### Case 2: US Patent Application 13/575,258

The present application relates to a sodium glucose cotransporter 2 (SGLT2) inhibitor with a phenyl C-glucoside structure that has a therapeutic effect on diabetes. Claim 1 claims a compound having the structure of Formula I or a pharmaceutically acceptable salt thereof, wherein the definitions of R<sup>5</sup> and R<sup>6</sup> are selected from the following: (1) R<sup>5</sup> = R<sup>6</sup> = Me; (2) R<sup>5</sup> = Me, R<sup>6</sup> = OMe; (3) R<sup>5</sup> = Me, R<sup>6</sup> = H; (4) R<sup>5</sup> = Me, R<sup>6</sup> = F; (5) R<sup>5</sup> = F, R<sup>6</sup> = H; (6) R<sup>5</sup> = OMe, R<sup>6</sup> = H (the definitions of R<sup>1</sup>~R<sup>4</sup> and ring A are omitted).



The examiner pointed out that D1 disclosed a phenyl C-glucoside SGLT2 inhibitor. This application differed from D1 only in that the R<sup>5</sup> and R<sup>6</sup> substituents were different. In D1, R<sup>5</sup> and R<sup>6</sup> were two fluorines. D2 also disclosed phenyl C-glucoside SGLT2 inhibitors, and taught that the methylene bridge could be substituted with various substituents. In addition, D3 teaches that bioisosterism is a strategy in medicinal chemistry for the rational design of new drugs.

Therefore, he concluded that those skilled in the art could obtain the technical solution of the present application based on the D1 in combination with D2 and D3.

In addition, the compound for testing the drug curative effect in the examples of the description of present application structurally differed from the positive drug dapagliflozin also only in that the substituents of R<sup>5</sup> and R<sup>6</sup> were different, and that R<sup>5</sup> and R<sup>6</sup> of dapagliflozin were both hydrogen. Moreover, the results of the pharmacodynamics in the examples of the description showed that the activity of the compounds of this application was only slightly better than the positive drug dapagliflozin, while the activity of some other compounds was equivalent to, or slightly worse than, dapagliflozin.

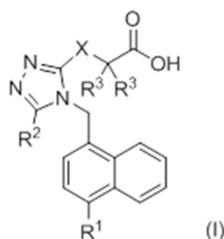
The applicant submitted supplementary comparative experimental data in the form of affidavit in reply to the OA, which provided supplementary experimental data of R<sup>5</sup> and R<sup>6</sup> that were other bioisosteric substituent groups (these substituent groups fell within the scope of the definition of the substituents in the D2, but they were different from the definition of the substituents R<sup>5</sup> and R<sup>6</sup> in this application) and that were with poor activity or almost no activity to prove that the R<sup>5</sup> and R<sup>6</sup> substituents had a greater effect on the activity of the compounds. While the present application was slightly worse than the positive drug dapagliflozin, compared with the model group or other bioisosteric substituent

groups with poor activity, it could significantly reduce the glucose tolerance of mice caused by glucose, and this was also an unexpected result. In the end, the examiner accepted the above arguments, and patented the application.

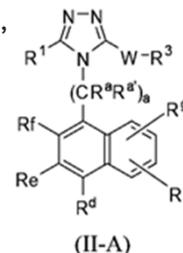
As the preceding case shows, providing a compound with poor activity as a counter-example further highlights that the effect achieved by the compound of this application is unexpected, although this activity effect, as compared with the positive drug dapagliflozin (lead compound), did not represent a notable improvement. From another perspective, presence of such counterexamples proves that those skilled in the art cannot obtain compounds with similar activities through simple substitution of substituents, and the structure of the compounds of the present application is also non-obvious.

### Case 3: US Patent Application 15/570,151

The present application relates to a carboxylic acid urate transporter 1 (URAT1) inhibitor containing a diarylmethane structure. Claim 1 claims a compound having a structure of general formula (I) or a pharmaceutically acceptable salt thereof (definitions of R<sup>1</sup>–R<sup>3</sup> are omitted).



D1 discloses compounds having the structure of the following general formula II-A,



and defines each substituent. By way of comparison, it is found that the general formula II-A of D1 covers most of the compounds defined by the general formula (I) of the present application, and covers the most effective compounds of the present application. Therefore, the examiner concludes that this application does not possess inventive step.

D1 has a very wide range of definitions for each substituent in Formula II-A, in which the connecting portion of the triazole ring and naphthalene ring- $(CR^aR^{a'})_a$ - is defined as follows: a is 0,1 or 2; R<sup>a</sup> is H or optionally substituted C<sub>1-3</sub> alkyl; R<sup>a'</sup> is H or optionally substituted C<sub>1-3</sub> alkyl; or R<sup>a</sup> and R<sup>a'</sup> together with the carbon atom to which they are attached form a 3-, 4-, 5- or 6- membered ring, optionally comprising 1 or 2 heteroatoms selected from O, N and S. However, the compounds synthesized and verified to be active in the examples of D1 are all compounds in which the triazole ring and the naphthalene ring are directly connected by a covalent bond, that is, the compounds with a=0. In the present application, a methylene connection is used between the triazole and the naphthalene ring, which is equivalent to a=1.

Although the applicant initially emphasized, in replying to the OA, that the example of D1 only disclosed and verified that the compound directly connected by a covalent bond between the triazole and the naphthalene ring had URAT1 inhibitory activity, and this description had proved that this compounds using methylene to connect triazole and naphthalene ring had significantly higher activity than compounds using covalent bond to directly connect these two rings, and they had achieved unexpected technical effects. However, the examiner still insisted that those skilled in the art, under the teaching from the compound of the general formula II-A disclosed in D1, were motivated to synthesize the compounds of the present application and test their activities, and these compounds would also have the same effects as the compounds of the present application.

Replying again to the OA, the applicant, submitting an affidavit, provided the experimental evidence showing that a compound with a triazole ring and a naphthalene ring connected by ethylene (namely, a=2) had little activity. This compound had the same substituents as the compound of the present application except that it contained an ethylene linking group, and also fell within the scope of the general formula II-A of D1. In the end, the examiner recognized that the technical solution of this application possessed inventive step, gave the reason that the application met the inventive-step requirements in the notice of allowance: “The affidavit provides experimental data showing a compound falling within the scope of formula II-A of

D1 exhibits no inhibitory activity on URAT1. Thus, the teachings in D1 do not necessarily lead to a compound with URAT1 inhibitory activity. The instantly claimed compounds have very strong inhibitory activity on URAT1. The observed technical effects of the claimed compounds could not have been expected from the prior art teachings.” All the patent applications homogeneous with the one involved in this case filed in China and Europe have also been patented.

In conclusion, since the structures of Me-too drugs are relatively similar or close to the disclosed lead compounds or their derivatives, in order to meet the inventive-step requirements, when one applies for a patent, it is often necessary to prove that his drug has achieved unexpected technical effect relative to the prior-art compounds. Comparative experimental data are often decisive in securing patent grant to such applications. As a piece of practical experience, if an applicant can provide compounds with other bioelectronics and other bioisosteric substituent groups at the modified point, with poorer effect for comparison in the description or in the phase of replying to the OA, this would conversely highlight the fact that the technical effects the claimed compounds have achieved are unexpected, render untenable the examiner’s conclusion that it is a conventional technical means, and ensure smooth patenting of the application.

Reference: [1] Junjie SHEN et. al., Preliminary Discussion on the Invention Aspect and Research & Development Strategy of Me-too Drugs, *Henan Technology • Intellectual Property*, January, 2016, pp. 61-64

Author:

Ms. Feng Hu

Ms. Hu received her degree of Bachelor of Science in Pharmaceutical Engineering from Hebei University of Technology in 2004 and her degree of Master of sciences in Medicinal Chemistry from Shenyang Pharmaceutical University in 2007. Ms. Hu worked as a researcher with the new drug R&D team for three years and as a patent engineer for one year before joining Panawell in 2011.

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Mr. Guo graduated from the department of applied chemistry of Qingdao University in 1993, and obtained his bachelor's degree there. In 1996, he obtained his master's degree in the department of fine chemical engineering of Beijing Technology and Business University and in 2004 obtained his master's degree of laws in law department of University of Hong Kong. Mr. Guo's practice includes chemistry, chemical engineering, polymer chemistry, medical science, medical materials and equipments, pharmaceuticals and pharmaceutical chemistry, electrochemistry, agrochemicals, detergents, cosmetics, and paper-making technology. Mr. Guo has extensive experience in patent drafting, prosecution, reexamination and invalidation proceeding. He worked with China Patent Agent (H.K.) Ltd. since 1996 as a patent attorney, and joined Panawell in January 2007.

## Seeking Protection for Chinese Language Marks

Ms. Paula Fenhong Pei, Attorney-at-Law, Panawell & Partners

Hereinafter are discussed the need to register a Chinese language mark, the different ways to choose a Chinese language mark and the challenges businesses may face when registering such marks.

If a Chinese company goes to your country to sell products or provide services, it is much better for it to use a trademark in your language there in addition to its Chinese language mark. Similarly in China, a Chinese language mark can be just as important for a foreign company as its foreign language counterpart, if not more so. We all agree that it is essential for a foreign company selling goods or providing services in China to have its English or foreign language marks registered in China. However, some companies we know, such as some smaller ones for example, are still hesitating or even do not like to register in China, marks in the Chinese language. Among some of the reasons for this are uniformity or the difficulty of translation.

### Why it is necessary to get the Chinese version of a foreign language mark registered in China?

In the Chinese market, Chinese customers are the target customers and their native language is Chinese. Compared to other non-native languages, the Chinese language is much easier for these customers and the public to remember, pronounce

and accept.

Foreign language marks are written in Roman letters which does not coincide with the writing or spelling habits of Chinese natives. It takes more time for the Chinese public to become familiar with foreign language marks due to the foreign language level required and the number of the Chinese population. In other words, longer time and more money are required to promote foreign language marks. Whether you accept it or not, the Chinese public will work out a Chinese name for a foreign language mark if the foreign language mark does not have a Chinese counterpart or its Chinese counterpart is not so easy read and recognize.

China has adopted the first to file trademark system. If you fail to select a Chinese language for your foreign language mark soon enough, it is likely your distributors, manufacturers, customers or someone else may select and promote a Chinese name for you and even register it to block your marketing and business in China.

It is also possible that the more delay there is to register a Chinese language mark, the less choice and more blocks you may face when coming to apply for registration of a Chinese language mark.

Let us take one overseas water pump manufacturer as an example. This overseas company believed that it was not necessary to register a Chinese language mark since it used a very simple foreign language mark (composed of only 4 Roman letters) globally, including in China.

However, Chinese customers worked out a Chinese language mark (two Chinese characters) as counterpart to the foreign language mark. After 10 years of business under this mark in China, it sought registration of a Chinese language mark. The two Chinese characters chosen by the public came to its mind and it applied but was blocked by the two Chinese characters in the opposite order registered by others years ago. It has taken over three years and cost much money to have these two Chinese characters finally registered.

Therefore, the localisation of your Roman letter marks is necessary in China. All the international well-known trademarks have Chinese language marks in China, such as Apple (苹果), Nike (耐克), IKEA (宜家), Carrefour (家乐福), Google (谷歌), etc. Overseas businesses do not have to attach these Chinese language marks to their goods or services as it has labelled its products identically globally, but it needs to use them in their sales promotions and media promotions in order to achieve a good effect on target customers.

### **How do you figure out the Chinese language counterpart to a foreign mark?**

It is better for a Chinese language mark to have no more than four Chinese characters, if it does not have a specific meaning in the mind of the public.

The proper Chinese language mark should be easy to remember, pronounce, have a good meaning or invoke a good feeling in the mind of target customers.

Below are ways to help work out a proper Chinese language mark.

### **Direct translation by meaning (literal translation)**

The easiest and best way is to use the Chinese meaning of a foreign language mark if the mark or each part of it has a dictionary meaning and this meaning is positive. In this regard, there are good examples like the well-known Apple which has as its Chinese language mark, "苹果" and Microsoft which has "微软".

However, if a Chinese translation according to meaning leads to lack of distinctiveness, transliteration or translation by pronunciation of the foreign mark is recommended.

### **Liberal translation**

A foreign language mark may have dictionary meaning in Chinese but the direct translation into Chinese may sound awkward. In this case, we need to embellish the Chinese wording and make it more compatible with the reading habits of Chinese natives.

The slogan of McDonald's, "I'm Loving It", the bakery BreadTalk, and the magazine MoneyTalks have used liberal translation for their Chinese language marks. McDonald's uses "我就喜欢" (I love it any way) for I'm Loving It, "面包新语" (Bread new language) for BreadTalk and "钱经" (money book) for MoneyTalks. These Chinese language marks are pleasant to the ears of Chinese customers.

### **Translation by pronunciation (transliteration)**

Businesses prefer to have coined words as trademarks for they are highly distinctive. As a result, most foreign language marks do not have any dictionary meaning and we need to work out their Chinese counterparts by mimicking their pronunciation. In this way, the Chinese language mark sounds like its foreign language counterparts. It is a way for the public concerned in China to associate the Chinese language marks with their foreign counterparts easily.

The supermarket Carrefour uses its transliteration "家乐福" (Jia Le Fu) in China. Adidas is transliterated into "阿迪达斯" (A Di Da Si) and nicknamed "阿迪" (A Di). Nike is called "耐克" (Nai Ke) and Honeywell is "霍尼韦尔" (Huo Ni Wei Er) in China.

These Chinese transliterations are easier to remember and sound like their foreign counterparts.

### **Combination of transliteration and liberal translation**

Chinese language marks from liberal translation do not have similar pronunciation while Chinese language marks from transliteration do not have the same meaning of their foreign counterparts. There is loss using either route. It would be perfect if Chinese language marks could keep both a similar sound and meaning to their foreign counterparts. That is what a combination of transliteration and liberal translation will do.

The Korean brand Lock & Lock uses "乐扣乐扣" as its Chinese language mark. This Chinese language mark sounds like Le kou Le kou and means "happily locked and buttoned."

The automobile brand BMW uses "宝马" as its Chinese language mark. It sounds like Bao ma and means a horse which is able to run a thousand miles easily. In ancient China, horses were used as transportation tools. In light of this Chinese cultural background, this Chinese language mark does reflect the sound and meaning of its foreign counterpart.

The coke giant Coca Cola uses its pronunciation "可口可乐" (ke kou ke le) as its Chinese language mark and it means drinkable, tasty and happy.

### Free translation

Sometimes working out Chinese language marks according to the ways above lead to a situation where the mark is not compatible with the products and sometimes the marks have already been registered by others. In this case, we may try to figure out a Chinese language mark with the help of free translation.

This was done by well-known fast-food restaurant Pizza Hut and cosmetics company Clinique. The former is translated into "必胜客" (Bi Sheng Ke) and the latter is called "倩碧" (Qian Bi). The Chinese language of the two trademarks neither reflects the meaning nor pronunciation of the foreign counterparts. However, they are well-accepted in China by the Chinese public and they are no doubt

successful Chinese language trademarks.

### What might overseas businesses face when seeking to protect the Chinese language equivalent of their foreign language marks?

The Chinese language equivalent to a foreign language mark should be registered smoothly without encountering any office actions.

If a foreign company figures out a proper Chinese language mark through any of the five ways of translation and the Chinese language mark is registered smoothly, it will be perfect. However, smooth registration has become more and more infrequent due to a huge amount of new applications in China each year.

### The Chinese language mark encounters refusal due to prior marks

If an applied-for Chinese language mark is refused in the examination proceedings, we advise either relying on available proceedings such as oppositions, invalidations or non-use cancellation actions to remove the obstacle of prior mark or purchasing the prior mark.

It may cost more money but it takes less time to purchase the prior mark than to remove it through available proceedings. There is greater certainty than removing the prior mark.

This situation occurred for the Chinese language mark ("谷歌") (equivalent of Google). One day after Google America declared globally that it was going to use "谷歌" as its Chinese language mark, its

Chinese language mark was applied for registration by others in many classes though Google had applied for its Chinese mark in four classes before the date of declaration. It is clear that the registrant was obviously acting in bad faith in applying for the Chinese mark. Google took available proceedings and the applications were removed from the register.

If the available proceedings for removing the prior Chinese marks are not the best choice or do not work successfully, purchase is a way out.

If unfortunately a purchase does not work, the foreign applicant may have to figure out a proper Chinese language mark and promote it with great effort in order to make target customers closely associate this newly worked out Chinese language mark with the foreign counterparts and cut out the natural association between other Chinese language marks and the foreign language mark.

In the Chinese market, the customers and public concerned are using another Chinese language mark rather than the registered Chinese language mark equivalent to the foreign language mark.

This happened to Sony Ericsson. Sony is a Japanese electronics giant and Ericsson is a Swedish mobile phone manufacturer. The two were merged into Sony Ericsson Mobile Communications and their mobile phone brand is called Sony Ericsson. The Chinese language of this brand is "索尼爱立信", an easy combination of Chinese language mark of Sony and Ericsson. It

has got five Chinese characters and is neither easy to remember nor to pronounce. As a result, the public in China gave it a nickname "索爱", the combination of the first Chinese characters from both Sony and Ericsson. Sony Ericsson refused to accept its nickname and made a written declaration to the public.

Against this background, someone else got "索爱" registered in connection with mobile phones and Sony Ericsson filed to remove this registration but failed. Sony Ericsson filed for judicial review before the court of first instance and appealed to Beijing Higher Court afterwards but all failed. This case even went to the Supreme Court but was not overturned. The main reason was that Sony Ericsson never accepted "索爱" as its Chinese language mark though the public did.

If customers and the public are using a Chinese language mark to refer to its foreign language mark, it is advisable to register this Chinese language mark.

If you have a Chinese language mark and it is well accepted by the public, your business in China will thrive. If not, please consider following the advice and register a proper Chinese language mark.

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Ms. Pei received her master degree from the University of International Business and Economics in 2006, and studied civil law at Renmin University of China from 2012 to 2014.

Ms. Pei joined Panawell in November 2016.

## Differences Between Trademarks with Deleted/Reduced Goods and Those with Partially Cancelled Registration

As practicing trademark attorneys, we have found that applicants often confuse trademark cancellation applications, especially those for deletion/reduction of goods, with applications for partial cancellation of registration. Although the two types of applications both function to narrow down the scope of trademark use, they have dramatically different effects. In the following, we would like to differentiate the two in three aspects.

### 1. Different in Trademark Status

The applications for deletion/reduction of goods are directed to trademarks pending in the registration application process, namely, trademarks that are yet to enter the registration publication stage, including those in the opposition phase, in the registrability review proceedings, or in the administrative lawsuit involving trademark refusal review and adjudication. They are trademarks pending registration or confirmation. By contrast, the trademark cancellation applications, relevant to registered trademarks, are filed only within the term of validity of trademarks following registration.

### 2. Different in Legal Effect

A goods deletion/reduction application is filed to request deletion/reduction of some of the goods shown in the application as filed. After deletion/reduction of these goods, the trademark

remains pending in the stage of application, only with a narrowed scope of goods in respect of which the trademark is filed for registration. If all the goods need to be deleted, the trademark registration application shall be withdrawn. The legal consequence of a trademark cancellation application is to lose validity of a registered trademark in terms of all or some of the goods in respect of which the trademark is filed for registration.

### 3. Different in Likelihood of Registration Certificate Issuance

If, after deletion/reduction of some goods, a trademark application is approved for registration in the follow-up examination procedure, the trademark registration certificate will be issued thereto, on which goods not deleted are shown; if the trademark application is rejected in the examination procedure, the trademark registration certificate is of no relevance. After the trademark is partially cancelled, with the original trademark registration certificate nullified, the CNIPA will issue a new trademark registration certificate in respect to the goods kept intact or not deleted.

More simply put, if you want to abandon a trademark in the application process, go through the formalities to withdraw the trademark registration application; if you only want to abandon a part of it, apply for the deletion/reduction of the goods. If you want to abandon a registered trademark, apply for cancellation of the entire trademark; and if you only want to abandon a part of it, apply for partial cancellation.

## Panawell Lawyers Finally Won Series of Patent Infringement Lawsuits for Haver & Boecker

The Panawell IP Lawyers have recently received a final ruling from the Sichuan Provincial Higher Court, finding Company A, the defendant, infringing on the patent rights of Haver & Boecker, a German business client of ours, and showing that Haver & Boecker finally won the victory in a series of patent infringement and invalidation lawsuits that had lasted for nearly four years.

Haver & Boecker, a well-known German business incorporated in 1887 and a supplier of more than one hundred cement-packaging machines and other large-scale equipment in the Chinese market, has won wide trust and praise from its customers there. Since 2016, Haver & Boecker, the plaintiff, has been finding Company A selling, in the market, a model of cement-bagging machine, suspected of infringing on its multiple invention patents, and inflicting serious damage to its market position and economic interests. To stop Company A's infringement, the plaintiff decided to institute patent infringement lawsuit. Early on, our Panawell lawyers were faced with an important problem: how to collect the evidence. Since the infringing products were all large-sized, special, and expensive equipment, it was unrealistic to affix the infringement evidence by conventional notarized purchase. After extensive discussion with our client, we decided to take photos and videos at the site of infringement to affix the evidence. The plaintiff's patents related to complex mechanical

structures, and some technical details could only be obtained from a specific perspective or angle. To better understand the technical solutions, and successfully affix the infringement evidence at the site of infringement, our lawyers went to the client's plant to get to know the technical solution on site on several occasions, conducted a forensic rehearsal of on-site investigation, and successfully affixed, in cooperation with the notary officials on site, the infringement evidence in the plants of Company A (infringing equipment manufacturer) and Company B (the infringing equipment user), thus laying a solid foundation for the subsequent successful litigation. This series of patent infringement lawsuits went through the first and second instance, with two field investigations conducted. At the same time, Company A also filed requests with CNIPA for invalidation of all the patents involved in the case. With careful plan made, Panawell finally succeeded in keeping all the involved patents valid, and won the final victory in the infringement lawsuits. In addition, Company A also filed infringement lawsuit Haver & Boecker's branch in China on account of its own two patents. Panawell produced strong evidence, made rigorous defense, had Company A's two patents declared invalid, and forced Company A to withdraw all its litigant claims in the end.

In this case, the Panawell lawyers participating in the infringement lawsuits are William Yang, Richard Wang, and Alex Wang, and those in the patent invalidation proceedings are Daniel Hu, Alex Wang, and Feng Xu.

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