

**Table of Contents**

Holiday Notice .....	1
China Issues Guideline to Strengthen IPR Protection.....	1
CNIPA Invites Comments on Criteria for Determining Trademark Infringement.....	1
China Rolls Out Measures to Further Strengthen Protection of Well-Known Trademarks .....	2
E-platform of Application for GI Product Protection Launched .....	2
China Outperforms the World in SEPs on 5G and the US in AI patents .....	3
CNIPA and EPO to Enhance Bilateral Cooperation in the Framework of the Patent Cooperation Treaty (PCT).....	3
New SIPO-INPI PPH Pilot Program to Launch on January 1, 2020 .....	3
Cadbury Awarded Injunction, RMB 2.43 Million in Trademark Infringement Case .....	4
Beijing IP Court Rejects Trademark Registration of 'PARIS BAGUETTE' .....	4

**Holiday Notice**

The offices of Chinese authorities and our firm will be closed

on Wednesday January 1, 2020; and  
from Friday January 24 to Thursday 30, 2020.

Deadline is extended to the next working day following the holidays.

**China Issues Guideline to Strengthen IPR Protection**

The general offices of the Communist Party of China (CPC) Central Committee and the State Council have jointly issued a directive titled "The Guideline on Strengthening Intellectual Property Rights Protection", raising the bar of IPR protection in the country.

The document puts forward goals of two phases.

As of 2022, China shall be able to effectively curb IPR infringement, and evidently overcome the difficulties met by right holders when enforcing their rights, namely limited access to discovery, burden of proof, protracted period of litigation, high costs, low damages;

As of 2025, public satisfaction with IPR protection in China shall reach a high level and stay there, protection capacity and system will be further improved, business environment of appreciating the value of knowledge will be optimized and the role of

IPR system to encourage innovation will be fully played.

The document calls for speeding up the introduction of a punitive compensation system for infringements of patents and copyrights, strengthening the protection of trade secrets, confidential business information and their source codes, intensifying efforts to strike criminal misdeeds, studying to lower the incriminating threshold of IPR infringements and reinforcing the punishment for sentencing, exploring to set up pharmaceutical patent linkage system and pharmaceutical patent term compensation system and establishing the management standard to protect e-commerce platform.

<http://english.cnipa.gov.cn/news/officialinformation/1144379.htm>

**CNIPA Invites Comments on Criteria for Determining Trademark Infringement**

On December 18, the China National Intellectual Property Administration (CNIPA) published the Criteria for Determining Trademark Infringement (for comment) to invite public comments.

The Draft puts market owners, exhibition organizers, sales counter landlords and e-commerce platforms on the chopping block if they are negligent in performing their oversight duty. If they know or shall have known the respective businesses in their markets, exhibitors, counter tenants, businesses on the platforms infringe trademarks and fail to stop such acts; or they

have no knowledge of the infringing acts, but fails to stop such acts after being reminded by trademark enforcement agencies, their non-performance will be deemed as trademark infringing acts under Paragraph 6, Article 57 of the Trademark Law.

Public are invited to submit their comments via email, fax and letters prior to January 18, 2020.

<http://english.cnipa.gov.cn/news/officialinformation/114877.htm>

### **China Rolls Out Measures to Further Strengthen Protection of Well-Known Trademarks**

Recently, the CNIPA issued the Notice on Strengthening the Relevant Work on the Protection of Well-Known Trademarks while Handling Trademark Violations.

The Notice lays out the related work on further strengthening protection of well-known trademarks while investigating and handling trademark violation cases from three aspects:

investigating and handling the cases related to well-known trademarks in strict accordance with the statutory authority and time limit,

effectively standardizing the application and utilization of well-known trademarks, and

highlighting the key points to effectively strengthen the protection of well-known trademarks.

The Notice further provided directions of standardizing the determination, application and use of well-known trademarks, including

strengthening auditing and guidance and regulating according to law,

requiring all levels of IP authorities to guide enterprises to correctly understand the recognition and protection system of well-known trademarks.

The Notice proposes that it is necessary to correctly distinguish the boundaries between the proper use of "well-known Trademarks" and the illegal use of the words and clarified that an enterprise can make factual statements on the record of trademark protection of well-known trademarks in its business activities. If the enterprise intends to downplay the legal status of recognition and protection of well-known trademarks and uses the words "well-known trademarks" as an honorary title in a prominent manner to promote the enterprise or promote the goods or services run by the enterprise, it will be investigated and dealt with in accordance with the relevant provisions of the Trademark Law.

<http://english.cnipa.gov.cn/news/officialinformation/1144145.htm>

### **E-platform of Application for GI Product Protection Launched**

The e-platform of handling applications for protection of geographical indication (GI) products was officially launched on the CNIPA website (<http://www.cnipa.gov.cn/ztzl/dlbzzl/>).

Applicants of GI protection can log on the website to submit their applications online for GI product protection and GI registration as collective trademarks and certification trademarks.

The e-platform has six functions, including ID registration, submittal of application files, initial review and approval by the provincial IP administrators, online technical review and feedback by the experts invited by the NIPA as well as the online release of publicities by NIPA, which can provide the full-process service for GI applicants, including review of policies and regulations, notification and online applications.

<http://english.ipraction.gov.cn/article/News/201912/20191200234512.shtml>

### **China Outperforms the World in SEPs on 5G and the US in AI patents**

It was learned from the World 5G Convention in Beijing, 5G standard essential patents (SEP) from Chinese enterprises account for 34% of the total, making China at the first place in terms of numbers of such patents.

According to the statistics, as of March 2019, 25 Chinese enterprises own over 13,000 SEPs on 5G, of which 20% are from Huawei, ranking the top globally. As of September this year, there were over 70,000 public patent applications about 5G key technologies, among which China lodged 19,334 applications, accounting for 27% of the total.

<http://english.ipraction.gov.cn/article/News/201911/20191100233492.shtml>

At the same time, the number of patent filings in artificial intelligence (AI) in China rose to 94,539 in 2018, up 10 times than that of 2010. As of October, China had outshone the US in the applications for AI patents.

Domestic technology giant Baidu Inc led with 5,712 filings, followed by Tencent, Microsoft, Inspur and Huawei.

<http://english.ipraction.gov.cn/article/News/201912/20191200234479.shtml>

### **CNIPA and EPO to Enhance Bilateral Cooperation in the Framework of the Patent Cooperation Treaty (PCT)**

Recently, at their annual meeting in Suzhou, the Commissioner of the China National Intellectual Property Administration (CNIPA), Shen Changyu, and the President of the European Patent Office (EPO), António Campinos, agreed to enhance their bilateral cooperation in the framework of the Patent Cooperation Treaty (PCT). The aim is to give patent applicants filing an international patent application in English at the CNIPA as Receiving Office the choice to opt for the EPO as their International Searching Authority (ISA).

It is expected that this new option will be offered in the course of next year, and be implemented as a two-year pilot program.

For Chinese applicants, this step would offer an additional option to optimize their international patent strategy, especially when considering protection in Europe. As a result, Chinese users interested in accelerating the prosecution of their applications will, by selecting the EPO as their ISA, gain up to one year by entering into the European phase earlier and getting direct examination of their files, without the need for a European supplementary search.

<http://english.cnipa.gov.cn/news/officialinformation/1144380.htm>

### **New SIPO-INPI PPH Pilot Program to Launch on January 1, 2020**

The original SIPO-INPI PPH pilot program was launched on February 1, 2018, with either duration of two years until January 31, 2020 or expiring at the time when 200 applications are received by SIPO and INPI respectively under the program, whichever occurs first.

Since INPI (National Institute of Industrial Property of Brazil) has adopted the new PPH cooperation mode recently, it is determined jointly by CNIPA and INPI that the original SIPO-INPI PPH pilot program will expire on November 30, 2019. The two offices will suspend receiving PPH requests from December 1 to December 31, 2019.

The two offices will launch the new pilot program based on the new PPH cooperation mode on January 1, 2020, with duration of five years until December 31, 2024. After the launch of the new PPH pilot program, applicants should submit PPH requests to the two offices pursuant to the new guidelines. The guidelines will be published prior to the launch of the new pilot program.

<http://english.cnipa.gov.cn/news/officialinformation/1144344.htm>

## SUPPLEMENTARY ISSUE

### **Cadbury Awarded Injunction, RMB 2.43 Million in Trademark Infringement Case**

Recently, Beijing Haidian District People's Court concluded a trademark infringement and unfair competition case between Cadbury UK Limited and Yikoulian Xiamen Food Company. The Court in its first- instance judgment held that the act of Yikoulian Company constituted trademark infringement and unfair competition, ordering Yikoulian to cease infringing Cadbury's 怡口莲 (Note: Chinese pronunciation Yikoulian) trademarks, change its trademark name, publish a statement and remove ill effects and indemnify some 2.43 million yuan in damages and reasonable costs. As of publication, the case is open for appeal.

Cadbury argued that it is one of the largest candy companies in the world and had obtained registration for 怡口莲 trademarks in multiple classes. The defendant produced, sold and advertised sandwich rice crackers affixed with 怡口莲 trademark, which was similar to 怡口莲 trademark in fonts and design styles and would confuse the relevant public, and the 怡口莲 trademark had been declared invalid. The act of Yikoulian Company constituted trademark infringement. In addition, Yikoulian Company used 怡口莲 as its trade name and had the intention of free- riding Cadbury's good reputation, causing confusion for the public and constituting unfair competition.

Yikoulian argued that although the 怡口莲 trademark was declared invalid on September 20, the act of using the trademark during validity period was legal and it should not assume any liability. Rice crackers with the 怡口莲 trademark are products similar with candies on which the trademark 怡口莲 is used. That would neither confuse the relevant public nor damage the legal rights of Cadbury. The company has already obtained registration of 怡口莲 on classes associated with its mainstream products, rendering freeriding Cadbury's reputation groundless.

After hearing, Haidian District People's Court held that evidence indicated that sandwich rice crackers with the 怡口莲 trademark were still on sale after having been invalidated. The 怡口莲 trademark is identical with the 怡口莲 trademark in characters formation, pronunciation and meaning and both of them were certified to be used on daily food, which was closely related. So

Yikoulian infringed the Cadbury's trademark rights when using the 怡口莲 trademark on its goods after September 20 this year. Meanwhile, the sales channels of the sandwich rice crackers with 怡口莲 trademark were almost the same as that of the candies with 怡口莲 trademark, which would confuse consumers. Yikoulian's act constituted unfair competition. In this connection, the Court made the above judgment.

<http://english.cnipa.gov.cn/docs/2019-12/20191225090708364292.pdf>

### **Beijing IP Court Rejects Trademark Registration of 'PARIS BAGUETTE'**

Recently, Beijing IP Court made a first-instance judgment on an administrative case for invalidation of the trademark 'PARIS BAGUETTE'.

The court held that the registration of the trademark was subject to the absolute terms enjoining registration under the Chinese Trademark Law and rejected the decision of upholding registration

of the trademark made by the then Trademark Review and Adjudication Board of the former State Administration for Industry and Commerce (TRAB), ordered it to make a new decision.

In 2004, the South Korean company Paris Croissant entered the Chinese market and opened the first 'PARIS BAGUETTE' bakery in Shanghai with the corresponding Chinese name "巴黎贝甜". Later on, the Korean company set up Esprit Foods Co., Ltd. (Esprit Foods) in China and awarded an exclusive license to Esprit Foods for the use the trademarks "巴黎贝甜" and 'PARIS BAGUETTE' and to manage and operate the trademarks.

In September 2007, Paris Croissant Co., Ltd. applied for the registration of the trademark 'PARIS BAGUETTE' in China and would eventually obtain registration on Class 30 goods including bread in March 2015 after wading through post- rejection review and opposition proceedings.

However, Paris Croissant Co., Ltd. only owns the English trademark of 'PARIS BAGUETTE' in China, and the corresponding Chinese trademark "巴黎贝甜" has yet been approved for registration.

In the meantime, 'PARIS BAGUETTE' has been under constant nullity attack since its registration by several companies including Beijing Bali Beitian (Note: Chinese name "芭黎贝甜", only the first Chinese character different from "巴黎贝甜") Enterprise Management Co., Ltd. (Beijing Bali Beitian).

The then- TRAB found that the trademark in question is composed of the words 'PARIS BAGUETTE' and its figure. Although the words can be translated as 'French bread', the disputed trademark still has other elements which shows distinctiveness to some extent if viewed as whole; Taking into account that the trademark in question has been registered and used for many years and a relatively stable market complexion has been formed through publicity and use, the then-TRAB upheld the registration of the trademark.

The disgruntled Beijing Bali Beitian then brought the case to Beijing IP Court in August 2018, requesting the court to revoke the TRAB ruling.

Beijing IP Court held that the country of the trademark applicant is South Korea, not France. The dispute trademark is composed of English words 'PARIS' and 'BAGUETTE' and a figure similar to the iconic Eiffel Tower in Paris, France, among which 'PARIS' means Paris and 'BAGUETTE' means French bread or French-style baguette.

The use of the trademark on the designated class of goods may easily cause the relevant public to mistakenly believe that the origin of the goods is related to Paris, France. The court also held that the trademark in question constituted a situation that was not allowed to be registered as a trademark under the Chinese Trademark Law.

In this connection, Beijing IP Court made its first-instance decision, revoking the TRAB decision in upholding the registration of 'PARIS BAGUETTE'.

As of now, the case is still open for appeal and we will follow its developments.

<http://english.cnipa.gov.cn/docs/2019-12/20191218161006817009.pdf>