

# Highlights of February

CHINA BUSINESS LAW JOURNAL 商法

年度杰出交易 – Deals of the year

2021

## Chang Tsi & Partners Awarded Deal of the Year 2021 by China Business Law Journal

Chang Tsi & Partners has won "Deal of the Year" Award from China Business Law Journal for its excellent work on a representative case regarding standard essential patent (SEP) licensing dispute between China's largest communications equipment manufacturer and the world's largest patent portfolios holder.

## Chang Tsi & Partners Supported BorgWarner's Intellectual Property Protection

Recently, Chang Tsi & Partners supported BorgWarner, one of the world's largest auto parts suppliers, to protect its intellectual property right in China, and achieve a successful result. The court sentenced the source counterfeiters penalties from 11 months to 3 years and 3 months in prison along with high compensations. Until now, BorgWarner has received nearly 2 million CNY in compensation through criminal settlements. We are proud to see that it is now difficult to find infringing BorgWarner turbochargers in the auto parts market.

## China to Relax Eligibility of Requestor for Evaluation Reports of Utility Model and Design Patents

Utility model and design patents are of great importance in China. In 2017, they accounted for around 90% of patents asserted in

litigations. Since a utility model or design application in China is not subject to substantive examination, to prevent abuse of a utility model or design patent right, the patentee will usually need to get an evaluation report rendered by CNIPA, before he can enforce the patent. In this article, Kim Lu, Partner of Chang Tsi & Partners, introduces some typical scenarios in which an evaluation report is generally necessary for enforcement of a utility model or design patent.

## Freda Han Awarded as "Beijing Inspiring Women of 2021"

We are pleased to announce that Freda Han, Partner of Chang Tsi & Partners, has been awarded as "Beijing Inspiring Woman of 2021" by Beijing Women's Federation, a significant mainstream organization focused on representing and safeguarding women's rights and interests and promoting gender equality in China.

## **Chang Tsi & Partners Awarded Deal of the Year 2021 by China Business Law Journal**

**C**hang Tsi & Partners has won “Deal of the Year” Award from China Business Law Journal for its excellent work on Standard Essential Patent License Dispute. This is a representative case regarding standard essential patent (SEP) licensing dispute between China’s largest communications equipment manufacturer and the world’s largest patent portfolios holder.

China Business Law Journal’s editorial team has selected the outstanding China-related deals and cases in 2021, applauding remarkable legal efforts. All deals out of thousands of landmark transactions and disputes that have closed, or have had a significant development, between 1 November 2020 and 31 October 2021, following intensive research and consultation. The selection process attached the most importance to the overall significance, complexity and innovative nature of the deals and cases, while also taking into account deal size and broader interests.



Mr. Michael Wu specializes in matters related to patent infringement, copyright infringement, trademark infringement, and unfair competition litigation,

enforcement of intellectual property rights through administrative procedures and patent invalidation proceedings. Mr. Wu has earned licenses to practice as an attorney at law and as a patent attorney. Wu has a unique understanding of mobile telecommunications patent litigation, software patent litigation, and copyright litigation related to the internet. Wu obtained his Bachelors and Masters Degrees in Material Science from Wuhan Technology University in 1996 and 1999, respectively. He further pursued a J.M/J.D. degree at Peking University, School of Transnational Law in 2014, where he systematically studied Chinese and American law. Prior to practicing law, Wu spent ten years in the field of mobile telecommunications, and founded a company specializing in mobile telecommunication services.

He has been invited to serve as a member of the China Global Advisory Council (GAC) of INTA for 2022 - 2023.

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## **Chang Tsi & Partners Supported BorgWarner's Intellectual Property Protection**

Ason Zhang | *Partner*

**R**ecently, Chang Tsi & Partners supported BorgWarner, one of the world's largest auto parts suppliers, to protect its intellectual property right in China, and achieve a successful result.

Turbocharger products are one of the core products of BorgWarner, which provides power solutions for many world-renowned auto manufacturers. However, a number of fake turbochargers with BorgWarner's trademarks have entered local market, which in turn has become a serious threat to consumers' safety and BorgWarner's reputation.

In May 2020, after a careful investigation by Chang Tsi & Partners and BorgWarner, a full chain of legal actions was carried out. We assisted the local police and other relevant agencies in locating two large-scale infringing turbocharger workshops and the sales network.

On 15 December 2020, 46 police officers from Zhejiang and Ningbo descended two major illegal workshops, where 7,887 finished or semi-finished infringing products and about 19,000 infringing marks and packages were found and seized, approximately valuing 41 million CNY. In addition, 12 suspects were arrested by the police.

Considering a large number of infringing products and huge distribution network involving 18 provinces, the Ministry of Public Security launched a cluster campaign against the distributors. In 2021, Chang Tsi, on behalf of BorgWarner, worked closely with the Ningbo Public Security to launch targeted criminal crackdowns on key distributors in 6 provinces, arresting a number of criminal suspects, and detaining a large number of unsold infringing products.

The court sentenced the source counterfeiters penalties from 11 months to 3 years and 3 months in prison along with high compensations. Until now, BorgWarner has received nearly 2 million CNY in compensation through criminal settlements.

We are proud to see that it is now difficult to find infringing BorgWarner turbochargers in the auto parts market. In this case, representing BorgWarner, Chang Tsi & Partners participated in the formulation of rights protection strategy from the very beginning. We conducted big data analyses to identify the source, and supported our client going through the subsequent litigation and settlement process. We are not only professional in providing tailored legal advice for clients, but also keen at formulating practical and feasible IP strategy costumed for each client.