

Highlights of November



Simon Tsi Awarded “Top 15 Managing Partners” by LEGALBAND

We are pleased to announce that Simon Tsi, Managing Partner of Chang Tsi & Partners, was awarded “2021 Power List: Top 15 Managing Partners” by LEGALBAND for his abundant professional experience and high reputation among clients.

Michael Fu Invited to Speak in Trademark Protection Seminar

Ningbo Intermediate People's Court and the International Trademark Association (INTA) jointly held a seminar on the theme of Trademark Protection and Cooperation. Mr. Michael Fu, Partner of Chang Tsi & Partners and Member of the INTA China Panel, was invited to deliver a speech.

Kim Lu Invited by Taiwan Patent Attorneys Association to Deliver an Online Lecture on Patent Disputes in Mainland China

At the invitation of the Taiwan Patent Attorneys Association, Kim Lu, Partner of Chang Tsi & Partners, delivered an online lecture "Experience Sharing of Patent Dispute Cases in Mainland China" and exchanged practical experience of patent cases with Taiwanese patent attorneys.

Strategy of Defense in Design Patent Infringement Lawsuit

This article focuses on the defense strategy on the premise that the defendant's product has a design patent, through investigating the existing cases and trying to provide some useful information for our clients about making intellectual property portfolio and defending the design patent infringement lawsuits in China.

Holiday Notice

Please note that 24-27 December 2022 has been declared a Public Holiday by Hong Kong Government. Therefore, our office will be closed during this period. All deadlines falling on a holiday will be automatically extended. Should you have any urgent cases, please let us have your instructions ahead of the holidays.

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As a well-known legal rating agency under Accurate Media Group, LEGALBAND provides in-depth knowledge related to Asian legal market through publishing articles, reports and guidebooks on a regular basis. The research team of LEGALBAND is well known for its thorough understanding on legal service market for its extensive knowledge and experience in professional fields. The major roles that LEGALBAND play are evaluating law firms and lawyers via carefully designed rating systems together with research programs, and recommending legal elites in legal fields for both internal

corporate legal advisers and individuals. LEGALBAND, therefore, has been a trusted legal guide for clients who need excellent law firms and lawyers. “Power List: Top 15 Managing Partners” is a brand new ranking for most influential and successful managing partners in China.

Simon Tsi is one of China’s most fearsome litigators renowned for his profound experiences with governmental institutions in China. With nearly 30 years of experiences working with national universities, judicial authorities, government ministries as well as state-owned enterprises, Simon’s ability to communicate and coordinate with such institutions is unrivaled in the rest of China.

With years of in-house experiences working with global conglomerates, Simon knows exactly the wants and needs of a legal service client. Simon and his team stand from clients’ perspectives and sets maximizing their legitimate rights as the top priority. His legal solutions are situational-based, tailor-made and designed to navigate clients through all kinds of legal turbulences in a changing China. Simon is a respected legal partner for his being loyal, dedicated and professional to his clients.

As the Managing Partner with sharp market knowledge and ample service experiences, Simon offers legal solutions adhering to international standards and guidelines. His leadership integrates the most competent regional lawyers with elite legal partners worldwide to create an unprecedented synergy to best serve the clients’ interests.

Michael Fu Invited to Speak in Trademark Protection Seminar

On 8 November 2022, Ningbo Intermediate People's Court of Zhejiang Province and the International Trademark Association (INTA) jointly held a seminar on the theme of Trademark Protection and Cooperation. Mr. Michael Fu, Partner of Chang Tsi & Partners and Member of the INTA China Panel, was invited to attend and deliver a speech.



Trademark brand protection is an issue of common concern to the trademark industry and the public all over the world. The conference focused on the protection of intellectual property and brand building, with in-depth discussions on related issues. The seminar was attended by high-level officials from INTA and Zhejiang Province, as well as leading experts in the field.

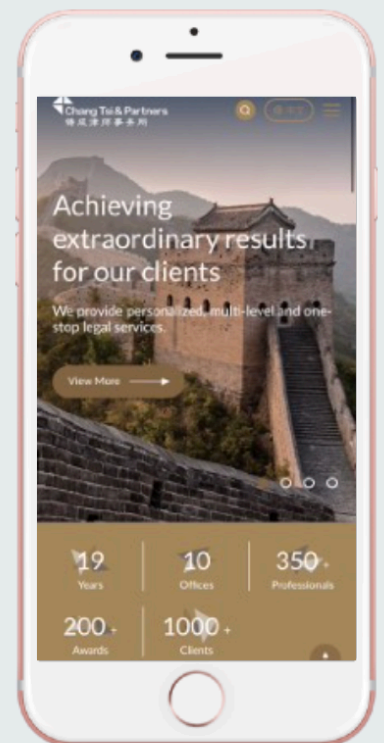
Since its establishment in 2002, Chang Tsi & Partners has been managing to become one of the leading law firms in China. The firm has been constantly referred as the "National Outstanding Law Firm", "The Best IP Law Firm in China", "China IP Law Firm", "Tier 1 IP Law

Firm of the Year" by Ministry of Justice of China, international legal directories and various business magazines such as Chambers Asia Pacific, The Asia Pacific Legal 500, Asialaw Profiles.

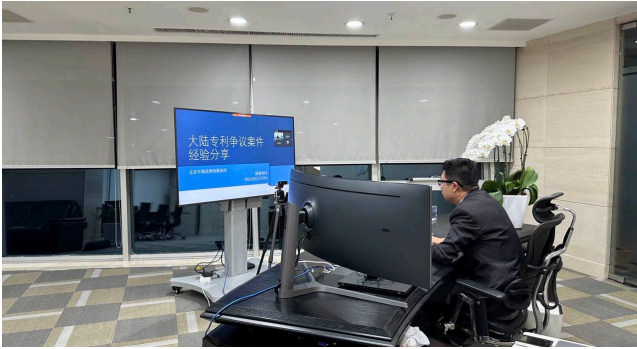
Chang Tsi & Partners is a leading full-service Chinese law firm with a strong reputation in intellectual property and litigation. Established in 2002, Chang Tsi & Partners always integrates legal solutions and peace of mind in China's competitive and turbulent market.

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Kim Lu Invited by Taiwan Patent Attorneys Association to Deliver an Online Lecture on Patent Disputes in Mainland China



On November 8, 2022, at the invitation of the Taiwan Patent Attorneys Association, Kim Lu, Partner of Chang Tsi & Partners, delivered an online lecture "Experience Sharing of Patent Dispute Cases in Mainland China" and exchanged practical experience of patent cases with Taiwanese patent attorneys.

Mr. Shao, Chairman of the In-service Training Committee of the Taiwan Patent Attorneys Association, presided over the lecture, which lasted for nearly three hours.

In the first part of the lecture, Kim Lu started from the similarities and differences of patent laws and regulations between the Mainland and Taiwan, and focused on the unified response of patent invalidation procedures and patent litigation procedures in the Mainland. Kim Lu introduced the dichotomous system of patent validation and patent enforcement, and elaborated on the interface mechanism between the two procedures in terms of the suspension system, the impact of invalidation decisions on litigation procedures, and the interpretation of claims, and emphasized the importance of unifying the two mechanisms.

Kim Lu shared the practical experience of the party being sued for design infringement in using its own patent to leverage the overall case with the design patent litigation cases handled in recent years as an example. In the second part of the lecture, Kim Lu shared with participants how to interpret claims based on litigation strategies. By introducing several classic cases of the Supreme Court, Kim Lu discussed various topics such as the technical features that have been clearly defined in the claims, the figures in the claims, the application and limitation of the estoppel principle, etc.

Nearly 200 Taiwanese attorneys attended this seminar. In the final discussion session, Kim Lu exchanged views with the attendees and answered questions.



Kim Lu has 13 years' experience in IP litigation and prosecution in China. He has extensive experience in representing domestic and foreign companies in both contentious and non-contentious matters, and has in-depth research on patent regulations in China Mainland, Taiwan, and US. His practice is focused on patent infringement and invalidation actions, patent prosecution, unfair competition litigation, antitrust litigation, etc.

Strategy of Defense in Design Patent Infringement Lawsuit

Nancy Qu | *Partner*

In design patent infringement lawsuits, it is very common that the defendant initiates invalidation attack against the plaintiff's asserted design patent, and meanwhile applies non-infringement defense. If the sued product also has a design patent which has survived invalidation attack after comparison with the prior design (the plaintiff's asserted design patent) and the CNIPO already decided that the defendant's design is not similar to the plaintiff's asserted design, the chances of success of defendant's defense will be significantly increased. This article focuses on the defense strategy on the premise that the defendant's product has a design patent, through investigating into the existing cases and trying to provide some useful information for our clients about making intellectual property portfolio and defending the design patent infringement lawsuits in China.

I. Relevant Laws and Judicial Explanations in China

1. The Patent Law of the P.R.C.

Article 2, Paragraph 4: The term "design" refers to any new design of a product's overall or local shape, pattern or combination thereof, or combination of color and shape or pattern, which is fit for industrial application while having a sense of esthetics.

Article 64, Paragraph 2: For the design patent right, the scope of protection shall be confined to the design of the product as

shown in the pictures or photographs, and the brief description may be used to explain the said design as shown in the pictures or photographs.

2. Interpretations of the Supreme People's Court Concerning Certain Issues on the Application of Law for the Trial of Cases on Disputes over Infringement on Patent Rights

Article 8: Where the products in the same or similar products of patented design adopts the design the same as or similar to the granted design patent, the people's court shall hold that the sued infringing design falls within the protection scope of design patent right as prescribed in Article 59, Paragraph 2, of the Patent Law.

Article 10: The people's court shall, based on the knowledge level and cognitive ability of ordinary consumers of the products of patented design, judge whether the design is the same or similar.

Article 11: When determining whether the design is the same or similar, the people's court shall conduct comprehensive judgment on the basis of the design features of the granted design patent and the sued infringing design as well as the overall visual effect of the design; the design features mainly determined by technical functions and such features of the products as the material and internal structure that do not have influence on the overall visual effect shall not be taken into consideration.

The following circumstances generally have greater influence on the overall visual effect of the industrial design:

(1) Compared with other parts, the parts that are more liable to the direct observation in the normal use of products;

(2) Compared with other design features of the granted design patent, the design features that distinguish the granted design patent from the existing design.

Where there is no difference in the overall visual effect between the sued infringing design and the granted design patent, the people's court shall hold that the two designs are the same; where there is no substantial difference in the overall visual effect, the two designs shall be held to be similar.

II. Relevant Cases

Case 1. Zhongshan Ligao Electric Appliance Co., Ltd. (referred to as "Ligao Company") v. Jianfa Electrical Products (Shenzhen) Co., Ltd. (referred to as Jianfa Company) and Wu Hongbin patent infringement dispute, second instance, (2005) Yue Gao Fa Min San Zhong Zi No. 239

Summary of the court ruling: The legal representative of Ligao Company had applied a design patent for the sued product, the date of filing was March 14, 2003, the date of granting was October 8, 2003, the patent number is ZL03320680.5. Ligao Company claimed that the products manufactured and sold by it implemented its own design patent, which is neither the same as nor similar to the asserted patent of Jianfa Company. During the second instance of this case, Beijing No.1 Intermediate Court issued (2005) Yi Zhong Zhi Xing Chu Zi No. 768 Administrative Judgment, which dismissed the No. 7027 Invalidation Decision issued by Patent Re-examination Board of the CNIPA and sustained the design patent ZL03320680.5 of the legal representative of Ligao Company. This administrative judgment recognized that the design patent ZL03320680.5 is neither the same as, nor

similar to Jianfa Company's asserted design patent. In addition, compared with the sued product and Jianfa Company's design patent, there are several significant differences from the front view, thus the two parties' designs are neither identical with nor similar to each other according to the criteria of judging similarity of design patent. Because the design of Ligao Company's sued product is neither identical nor similar to Jianfa Company's asserted design patent, Ligao Company does not commit patent infringement.

Case 2. Good Child Children Products Co., Ltd. (referred to as "Good Child Company") v. Tengzhou Aosen Furniture Co., Ltd. (referred to as "Aosen Company") design patent infringement dispute, second instance, (2015) Su Zhi Min Zhong Zi No. 00264.

Summary of the court ruling: According to No. 27601 Invalidation Decision, the design patent of Aosen Company has seven major differences in comparison with the asserted design patent. Considering that the sued product of Aosen is identical to Aosen's design patent, the differences recognized by No. 27601 invalidation decision are the differences between the sued product and the asserted patent. Therefore, the design of the sued product is neither identical with nor similar to the sued design patent, which does not fall into the protection scope of the sued patent, and does not belong to infringing product.

It should be specifically indicated that, when judging infringement, this court referred to the invalidation decision made by Patent Re-examination, which does not mean that the result of invalidation decision is the basis of infringement judgment. The judgment of this court is based on the existing laws and

regulations and the differences recognized by the invalidation decision, and the comprehensive consideration of the contribution rate of the asserted patent to the prior designs, as well as the degree of the reference and avoidance of the sued product from the asserted patent. In conclusion, the invalidation decisions of the asserted patent and Aosen's patent are just one of the important evidences in judging infringement, this court still needs to make the review and judge the probative force according to the Patent Law, the Civil Procedural Law and the rules of evidence.

Case 3. XX Electronical Appliance Co., Ltd. v. XX Technical Development Co., Ltd. design patent infringement, first instance, (2021) Jin 03 Zhi Min Chu No. xxx (note: the judgment has not been published)

In this case, the defendant submitted an invalidation decision issued by CNIPA, and claimed that the design of the sued product is identical to the target patent in the invalidation decision. In this invalidation decision, the prior design is the asserted patent of plaintiff, and the CNIPA decided that the target patent is neither identical nor similar to the asserted patent.

In the judgement of this case, the court did not directly comment on the relationship between the target patent and the asserted product, nor did the court directly comment on the influence of the invalidation decision to this patent infringement civil case, it is quite clear that when judging the infringement, the court referred to the core opinion of the invalidation decision, and made the decision that the design of the sued product is neither identical nor similar to the asserted patent, after comprehensively considered the cognition ability of the ordinary consumers, the space of design, and

conducted the overall observation and comparison.

III. Conclusion and Recommendations

1. If the sued product has design patent, the favorable invalidation decision regarding this design patent is important evidence for judging infringement.

Considering that the criteria of judging similarity in design patent invalidation cases and design patent infringement cases are the same, i.e., overall observation and comprehensive judgment, in the design patent infringement lawsuits, if the sued product of defendant happened to has a design patent, and this design patent had survived invalidation attack by comparing with the asserted design patent, this invalidation decision can be served as important evidence to support the defense of on-infringement. If the defendant can prove that the design of the sued product is identical to its design patent, and the invalidation decision had recognized that its design patent is neither identical nor similar to the asserted patent, the chances of success for the defendant to make non-infringement defense is relatively high.

2. In order to avoid patent infringement, before entering into the market, it is recommended that an infringement assessment of a new design being conducted.

To avoid the potential damages caused to an entity in respect of reputation and property because of involving into infringement lawsuit initiated by others, before entering into the market, we recommend the enterprise conducting an infringement assessment in advance. The infringement

assessment should include analysis of the possibility of infringement against others' trademark, copyright, patent, and/or distinctive trade dress with certain reputation in China. If there are any risks of infringement, the enterprise should take actions to revise the design and try to minimize the risks of infringement. Even if the product bearing the new design is recognized as infringement against other's IP rights, the infringement assessment report conducted in advance is an useful evidence to prove that the entity does not have bad faith in committing the infringement, which is helpful to avoid the risks of being claimed the punitive compensation.

3. Establish the Intellectual Property Portfolio in China in time.

When an enterprise is planning a new industrial design, we recommend it establishing its Intellectual Property Portfolio in China in a timely manner, including but not limited to, file design patents (and/or invention or utility patents), conduct copyright registration, and/or file trademark application, to comprehensively protect its new design, and smooth its enforcement of the IP rights when the new design is copied

by competitors in China. If the product bearing the new design is sued by others, and the specific design patent survived the patent invalidation attack, the entity can make full use of the favorable invalidation decision to support its non-infringement defense, or use the prior registered/applied/granted IP rights to support prior use defense.



Nancy Qu, Partner

Nancy Qu specializes in the prosecution and enforcement of multiple intellectual property rights, including trademarks, patents, copyrights, trade secrets and domain names. She has over 15 years of experience as a litigation lawyer and patent attorney. She is experienced in the development of strategy in patent and trademark lawsuits, enforcement of effective judgments, as well as in negotiation strategy. She is specifically skilled at handling complicated and difficult IP infringement cases. Ms. Qu has successfully helped to protect the IP rights of many Fortune 500 companies. Nancy Qu is fluent in English and Chinese.