

Highlights of October



Spring Chang Awarded Diversity Champions in IP by World IP Review

We are delighted to announce that Spring Chang, Founding Partner of Chang Tsi & Partners, has been awarded as Diversity Champions in IP by World IP Review. Spring Chang is the first-ever champion from China winning the award.

United States: New Deadline to Respond to Office Actions for Trademark Applications

Beginning on December 3, 2022, trademark applicants will have three months (with a possible three-month extension), instead of the current six months, to respond to office actions issued during the examination of a trademark application at the United States Patent and Trademark Office (USPTO). This change only applies to office actions issued on or after December 3.

Spring Chang Interviewed by World Trademark Review

WTR says: Spring Chang has represented many top brands across diverse sectors and achieved momentous wins on their behalf. She is a hugely influential voice in the Asian and global IP discussion.

Declaration of Invalidity Against Malicious Imitation and Trademark Protection

Two Disputed Marks owned by the Respondent were confusingly similar to its prior used trademark of our client, which constitutes malicious imitations and infringement on the prior rights. In order to protect our client's interests, we filed non-use cancellation petitions and applications for declaration of invalidity with the CNIPA.

Holiday Notice

Please note that 2 November 2022 has been declared a Public Holiday by Macao Government. Therefore, our Macao 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.

Spring Chang Awarded Diversity Champions in IP by World IP Review

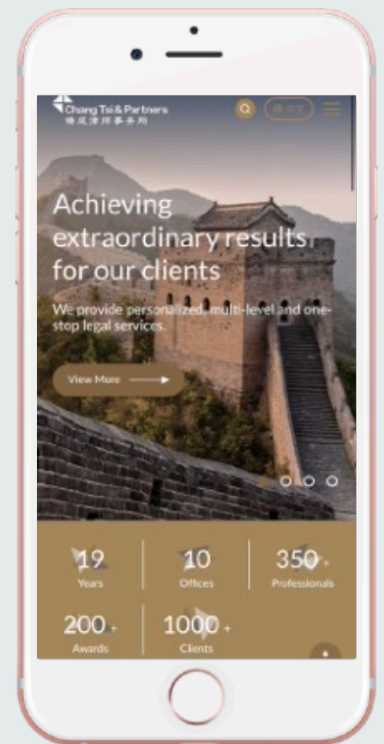
We are delighted to announce that Spring Chang, Founding Partner of Chang Tsi & Partners, has been awarded as Diversity Champions in IP by World IP Review. The second-ever WIPR Diversity Champions list celebrates those who have worked tirelessly to create a brighter future for all aspiring IP practitioners, and Spring Chang is the first champion from China. As commented by the editors, Chang "has pledged to create a diverse and inclusive working environment where every employee feels included and valued", and "more than 70% of the managers and 75% of the overall employees of Chang Tsi & Partners are women".

For a long time, Chang Tsi & Partners has followed the "Women's Empowerment Principles" jointly formulated by UN Women and the United Nations Global Compact. We respect and support all male and female employees, strengthen the career development of female employees, and disclose relevant data every year.

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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[Notice] United States: New Deadline to Respond to Office Actions for Trademark Applications

Beginning on December 3, 2022, trademark applicants will have three months (with a possible three-month extension), instead of the current six months, to respond to office actions issued during the examination of a trademark application at the United States Patent and Trademark Office (USPTO). This change only applies to office actions issued on or after December 3.

By shortening the response time, the USPTO intends to:

Decrease the time it takes to get a registration;

Provide the flexibility to request additional time to respond to more complex office actions;

Spring Chang Interviewed by World Trademark Review

As someone who has founded their own firm, what does law firm leadership look like to you?

Leadership means I need to work hard as a role model to set a good example to others at the firm. It also implies a full range of abilities, from client care and marketing to management, as well as a broad expertise in the IP field. Since IP legislation and practice keep changing in China and the rest of the world, it also means a strong ability to learn and improve so as not to be left behind. In essence, it means a lot of effort and hard work.

What advice do you have for someone considering a career in trademark law?

As my boss told me 30 years ago, "you have to be physically and mentally strong enough

to join this industry". I think this is very true. Looking back at my career over the past three decades, I would say that you need to embrace the challenges and that you should never give up. As a lawyer, other people's troubles are your daily work. You also need a strong ability to research, analyse, coordinate and work as a team. If you do not have those skills, it is not recommended to become a trademark lawyer. Finally, never stop learning - this is key for a trademark lawyer as you need to advise clients by using your own expertise.

You are renowned as a litigator - what has been your most memorable case and why?

My most memorable case was when one of my clients, a pharmaceutical company, initiated litigation to establish its trademark as well known. As part of the overall strategy, the objective of the litigation was to resolve the issue of dilution - the problem was so



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pronounced that the client could not enforce its rights against rampant infringers. I led my team to research the boundaries of dilution and the concept of 'well-known marks' and built a successful case. This case also required a comprehensive mobilisation strategy, which involved requesting online dictionaries to change the generic definition of the client's trademark, finding a good candidate case in an appropriate forum, and putting a lot of efforts in collecting evidence and communicating with the client. It was memorable not only because the litigation was successful but also because it was a major project from an anti-dilution perspective.

Late last year, China's State Administration for Market Regulation threatened to revoke the operating licences of platforms that fail to take proper action against counterfeiters on their sites. What impact - if any - do you expect this to have on levels of counterfeiting in China?

This will definitely curb online infringement and improve the protection of IP rights. I think operators should take more responsibility when it comes to stopping infringement on their platforms. They should be more active, and the State Administration for Market Regulation made a good push in this respect.

Now that we are (hopefully) emerging from the pandemic, what covid-prompted changes and restrictions are you looking forward to seeing the back of, and which developments are here to stay?

The pandemic has represented a big

challenge for the legal industry. Many small law firms and agencies have gone bankrupt due to poorer management and a smaller clientele. Competition among the big firms has become fiercer than ever. The pandemic has also triggered more reforms to the administrative and judicial systems. We now see more electronic filings and cloud evidence preservation, and the Internet Courts are accepting more cases. We have also become closer to our associated law firms and clients internationally - over the past couple of years we have organised more Zoom conferences, which have gradually become part of our daily work.

You have won acclaim for your strategic approach to IP matters - how has this broadened your understanding of the different forms that a 'win' can take?

A 'win' does not merely mean victory in a specific case. It is of course important for us to win cases before the courts, but our overall objective is to support the business needs of our clients in both the short term and the long term. This is why we strive to provide comprehensive, multi-level IP solutions - including, but not limited to, litigation - to maximise our clients' interests.

How is diversity & inclusion promoted at Chang Tsi & Partners and why is it important to the firm?

As the China Employer of Choice (as recognised by Asia Legal Business and Legalband), Chang Tsi & Partners and its management team pledge to create a diverse and inclusive working environment, where every employee feels included and

valued. Diversity and inclusion are priorities to achieve a harmonious firm culture, and the differences among members of our team undoubtedly contribute to our creativity. As a female lawyer from a minority ethnic group, I am acutely aware of the difficulties of entering the legal industry. Statistically, over half of the firm's partners and over two-thirds of employees are women. In addition, many of my colleagues come from minority groups or have a disability. From the day we established the firm, we have ensured that everyone is treated equally, regardless of race, gender, nationality, ethnicity or any other status. This allows us to work together as a strong team, regardless of who we are and where we come from.

What three changes would you like to see to trademark litigation in China - and how likely are they to happen?

I would like to see more of the following things: more convenience, more professionalism and more judges with a broader vision. We have 24 IP tribunals and four IP courts in China. We need more IP tribunals and more professional judges - this would be more efficient and result in better expertise. Another suggestion would be for judges to be involved in more international communications in order to develop a broader vision. In May, I attended a bilateral meeting between the Beijing Intellectual Property Court and the International Trademark Association, during which I delivered a speech about letters of consent. I suggested that more bilateral or multilateral meetings involving juristic institutions could be arranged for a better mutual understanding and better cooperation in the

future.

How have client demands changed over the course of your career?

Clients have become more demanding. Nowadays, client demands are not only about successful registrations or litigations: clients expect an overall strategy for China. We need to audit existing portfolios to be more proactive and crack down on infringers at the root. We must communicate closely with our clients' local branches to better understand their business. Personally, knowing the relevant laws used to be my priority - now it is understanding the clients' business needs.

What are your top tips for a watertight international domain name policy?

As a basic approach, we recommend that our clients:

- Register their domain names at different levels;
- Actively fight cybersquatting by utilising the various domain name resolution systems; and
- Attend conferences to keep up with new developments.

Declaration of Invalidity Against Malicious Imitation and Protect the Trademarks

Eva Hu | *Counsel*

Background

Our client found that the Disputed Marks owned by the Respondent were confusingly similar to its prior used trademark, which were malicious imitations and infringement on its prior rights. In order to protect our client's interests, we filed non-use cancellation petitions and applications for declaration of invalidity with the CNIPA.

Difficulties

Although the two Disputed Marks were identical to the client's earlier marks in terms of distinctive parts, the client did not have prior registrations for its core goods, and does not have very sufficient evidence to prove its prior use of the mark in China. In addition, from preliminary investigation, we did not find obvious evidence showing the bad faith of the Respondent. In view of the evidence basis is not strong for us, and we did not find useful information of the Disputed Mark by the Respondent, in considering the cost-effective and the chances of success, we first chose to file non-use cancellation petitions against the Disputed Marks. Unfortunately, after the review of non-use cancellation procedures, the registrations of the Disputed Marks were still maintained on the client's core goods. The Respondent submitted a series of evidence to prove their use of the Disputed Mark, and it looks like the Disputed Mark was in actual use. Yet, through our meticulous sorting and comparison of the evidence of use submitted by the Respondent, we found that there were traces of forgery and falsification in many pieces of evidence of use. Although we submitted detailed rebuttal opinions, the CNIPA determined that the

evidence submitted by the Respondent was valid and upheld the registrations of the Disputed Marks on the client's core goods. If we further appeal the review decision, it would cost much for the client. Moreover, in this time, the Disputed Mark would have been registered over 5 years, if we do not file the declarations of invalidity in time, for lacking evidence to prove the prior well-known status of the client's marks, our chance of success in possible declarations of invalidity would be dramatically reduced. In this condition, we have to revert to the option of the declaration of invalidity, while the evidence collection work is really challenging in supporting such an invalidation action.

Our Strategy

First of all, we further sorted and compared the use evidence submitted by the Respondent in the non-use cancellation procedures, conducted a series of online searches, found out the information about the third parties' brands as shown in their evidence, and have the same organized and notarized. At the same time, we conducted field investigation into the actual business of the Respondent and their use status of the Disputed Mark, obtained the actual business use materials, and carefully have the same compared with the use evidence submitted by the Respondent in the non-use cancellation procedures. Through the aforesaid works, we collected strong evidence to prove that the evidence of use submitted by the Respondent was fabricated by the Respondent, and the Respondent has fraud advertisement in actual business, and also copied and imitated the third parties' brands as well as the business promotion materials. With the aforesaid evidence, we claimed that the Respondent had continuous copying and imitating behaviors, and had bad faith in cling to other parties' famous trademark and brands. The purpose of application for the Disputed Mark is obviously to mislead the consumers that it relates to our client. Thus, the aforesaid

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evidence can prove the subjective malice of the Respondent.

Secondly, we communicated with the client and obtained a lot of evidence of prior use of the "FRICK" series of trademarks from the client.

Thirdly, we registered the copyright of the FRICK logo to further support the client's prior use of the "FRICK" series trademarks, and collected related evidence to prove the client's prior copyright work.

Finally, we conducted further online research to gain a comprehensive search of the visibility, exposure and use of the client's "FRICK" series trademarks, and collected useful evidence from online reports.

Based on the above, in our invalidation grounds, we made a detailed presentation of the client's prior use and the Respondent's bad faith. We raised the following main points of arguments:

The Applicant enjoyed prior copyrights on the FRICK logo, which were originally created by the Applicant's affiliated company and assigned to the Applicant. The creation date of the FRICK logo was much earlier than the application date of the Disputed Mark. The FRICK logo has been used publicly since at least 2001, and obtained a high reputation in the Chinese market through continuous use and promotion. The disputed trademark is substantially similar to the FRICK logo, and the Respondent maliciously applied for registration of the Disputed Mark with knowledge of the existence of the Applicant's prior works. The registration and use of the Disputed Mark has damaged the Applicant's prior copyright of the FRICK logo and will lead to confusion among the public. According to Articles 9 and 32 of the Trademark Law, the registration of the Disputed Mark should be declared invalid.

The FRICK series trademarks of the Applicant had obtained certain influence in China on the same/similar goods as the Disputed Mark

before the filing date of the Disputed Mark. The Respondent was aware of the existence of the Applicant's prior trademarks and made a malicious attempt to infringe upon it. Therefore, the registration of the Disputed mark infringed the Applicant's prior trademark rights. Taking into account the existing popularity and wide recognition of the Applicant's trademarks in China, if the Disputed Mark is put into use, it will certainly cause great confusion in the market and make consumers confused about the source of the goods, thus resulting in misidentification and mispurchase. According to Articles 9 and 32 of the Trademark Law, the registration of the Disputed Mark should be declared invalid.

The Disputed Mark is malicious copying and imitation of the famous FRICK series trademarks and copyrighted work, and its registration and use come from an obvious subjective intention of free-riding. In addition, the Respondent also copied and applied for registration of trademarks highly similar to other famous brands and used them on similar goods. The registration and use of the Disputed Mark violated the Principle of Good Faith, which will definitely weaken the distinctiveness of Applicant's trademarks, derogate the market reputation of the Applicant, seriously damage the interests of the relevant public, and cause adverse social impact. According to Articles 7, 10.1(7)(8) and 44.1 of the Trademark Law, the registration of the Disputed Mark should be declared invalid.

Finally, the CNIPA decides that:

Article 32 of the China Trademark Law 2013 protects the prior use of a trademark on the condition that the trademark has been used on goods or services identical or similar to the goods designated by the disputed trademark before the date of application of the disputed trademark, and is known to the relevant public within a certain range. Specifically in this case, firstly, combined with the evidence submitted by the Applicant, it can be proved

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that prior to the application date of the Disputed Mark, the FRICK series trademarks were used by the Applicant in refrigerating refrigeration units, compressors and other goods, and had a certain degree of influence. Secondly, the distinctive part of the Disputed Mark, "FRICK", is identical to the Applicant's previously used and famous "FRICK" trademark in terms of composition and pronunciation, and the goods designated by the Disputed Mark, such as refrigerating equipment and devices, are identical to the goods actually used in the first place. The goods such as refrigeration equipment and devices designated by the disputed trademark and the goods such as refrigeration and cooling units and compressors in prior actual use are similar goods or closely related in terms of function and use. Under the above circumstances, the registration and use of the Disputed Mark is likely to cause confusion among consumers and service providers. Therefore, the registration of the Disputed Mark has constituted the situation referred to in Article 32 of the China Trademark Law 2013 that "a trademark application shall not be an improper means to register a trademark that is already in use by another party which enjoys substantial influence."

Accordingly, the registrations of the Disputed Marks were declared invalid on all the designated goods.

Conclusion

Firstly, for winning the case, we well protected the business interests of our client and maximize the benefits of the client.

Secondly, through this case, we have become clearer that our advice must be based on the existing facts and evidence, taking into account various factors such as the success rate of the action and the cost to be borne by the client. Upon receipt of the review of non-use cancellation decisions, we have the option of either filing an administrative lawsuit against the review decisions or filing Declaration of Invalidity against the Disputed Marks. However, in view of the high cost of litigation and the evidence of bad faith collected, we chose to file invalidation applications against the Disputed Marks instead of filing lawsuits.

Thirdly, through this case, we have broadened our options, that is, when it is difficult to collect malicious evidence of invalidation from public channels, we can try to file a non-use cancellation. It is possible that in order to prove the use of the disputed trademark, the respondent may submit some use evidence, revealing the bad faith of the Respondent or their infringement behaviour, which can be used to support our invalidation application or other enforcement actions.



Eva Hu, Counsel

Eva Hu has been focusing on Intellectual Property legal services for more than ten years, specializing in trademark, copyright and domain name related affairs. She has won the trust of many clients all around the world for her professional legal advice, transposition legal considerations, comprehensive legal services, prompt feedback, innovative awareness and active communications.