

Highlights of July

Chang Tsi & Partners Recognised as “Most Trustworthy Partner” by BorgWarner

Chang Tsi & Partners has been recently recognised as the “Most Trustworthy Partner” by BorgWarner for its continuous and effective legal support. BorgWarner is one of the world's largest auto parts suppliers, and turbocharger products are one of the core products of BorgWarner, which provides power solutions for many world-renowned auto manufacturers.



Chang Tsi & Partners Ranked as Top 10 IP Agency

The well-known domestic legal media, IP Power (zhichanli) and IP House (zhichanbao), have jointly released the "2020-2021 China's Top 10 Outstanding IP Agencies", on which Chang Tsi & Partners Law Firm was once again ranked as Top 10.

This is an annual ranking list jointly organised by two well-known media in the field of intellectual property in China, which is highly influential in the industry. The selection was based on the judgments and rulings of all IP cases concluded in 2020-2021, combining multiple indicators for comprehensive scoring so as to ensure comprehensiveness, objectivity, and accuracy.

Tips for Defensive Trademark Protection in Hong Kong

Defensive trademarks have been protected in HK based on Trade Marks Ordinance (Cap. 559). It was also possible under Cap. 43 (see sections 55 to 57) to register defensive trademarks.

Intermediate Product/ Process and Risk of Patent Infringement in China

Recently, we found a case Xitian Zhang vs. CSPC OUYI Pharmaceutical Co., Ltd etc. The patent in this case covers the resolution of the enantiomers of amlodipine (CN1100038C). The Supreme People's Court has released its important comments. Please feel free to read this article written by Michael Wu, Partner of Chang Tsi & Partners and Member of the China Global Advisory Council of INTA, for detailed information.

Intermediate Product/ Process and Risk of Patent Infringement in China

Michael Wu | Partner

Recently, we found a case Xitian Zhang vs. CSPC OUYI Pharmaceutical Co., Ltd etc. [Case No: (2009)民提字第84号]. The patent in this case covers resolution of the enantiomers of amlodipine (CN1100038C). The Supreme People's Court held that:

Although the patent covers a method for the preparation of a new product, the right owner still need to prove that the products made by the accused infringers are identical to the product directly obtained from the patented product, then the accused infringers undertake the burden of proof that the preparation of their products are different from the patented method. As previously stated, the products directly obtained from the method in claim 1 is "a DMSO-d₆ solvate of D-tartrate salt of (S)-(-)-amlodipine", or "a DMSO-d₆ solvate of a L-tartrate salt of (R)-(+)-amlodipine". Xitian Zhang provided evidence to prove that Huasheng and Ouyi manufactured levamlodipine maleate and its

tablets, and levamlodipine maleate must be manufactured with levamlodipine as raw material. However, no evidence was provided to prove that Huasheng and Ouyi also produced the intermediate "a DMSO-d₆ solvate of D-tartrate salt of (S)-(-)-amlodipine" when manufacturing levamlodipine maleate and its tablets. Therefore, the evidence submitted by Xitian Zhang is not sufficient to prove that the products manufactured by Huasheng and Ouyi are identical to the products directly obtained from the patented methods, and the burden of proof should not be borne by Huasheng and Ouyi to prove that the preparation of their products are different from the patented method.

According to Article 11 of Patent Law of PRC, the protection scope of method patent can only be extended to the products directly obtained from the patented method, that is, the original product obtained by using the patented method, and not to the subsequent products obtained by further processing of the original product. As previously stated, after performing the method in claim 1, "a DMSO-d₆ solvate of D-tartrate salt of (S)-(-)-amlodipine", or "a DMSO-d₆ solvate of an L-tartrate salt of (R)-(+)-amlodipine" would be obtained directly. Levamlodipine maleate,



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Levamlodipine maleate tablets and levamlodipine manufactured by Huasheng and Ouyi are follow-up products obtained after further processing of the aforementioned products, not the products directly obtained from the patented method. Thus, the protection scope of the patent right involved cannot be extended to levamlodipine, levamlodipine maleate and its tablets. It does not matter whether the products can be used directly by consumers when identifying the "products directly obtained from the patented metho.

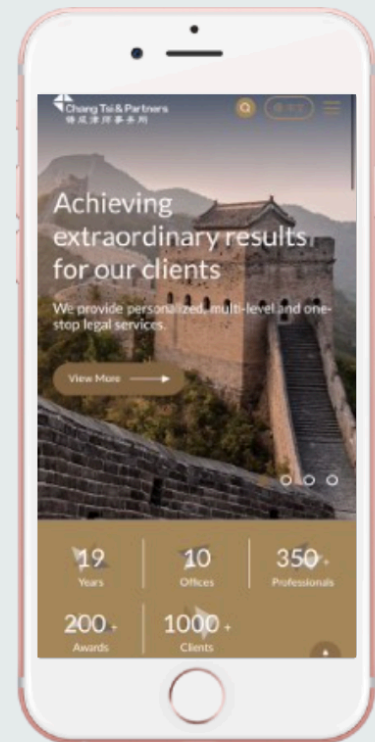
Based on such analysis, an intermediate product/ process patent for an imported product wherein said intermediate is substantially transformed to another product before importation such that said intermediate is no longer traceable in the final product, which is less likely to be deemed as patent infringement. This might be helpful for the international drug company to think about such rules.

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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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Michael Wu, Partner

Mr. Michael Wu specializes in matters related to patent, copyright, trademark, and unfair competition litigation, enforcement of IP rights and more. 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 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. He is also a frequent speaker of IP seminars and client training courses regarding China's IP strategy.

Tips for Defensive Trademark Protection in Hong Kong

Lihan Yang | *Attorney at Law*

Defensive trademarks have been protected in HK based on Trade Marks Ordinance (Cap. 559). It was also possible under Cap. 43 (see sections 55 to 57) to register defensive trademarks.

Section 60 of the Ordinance sets out the conditions for registration of a defensive trademark. Where:

- a) the applicant has registered the same mark as a trade mark for certain goods or services;
- b) that mark has been used so much in relation to all or any of the goods or services for which it is registered that it has become exceptionally well-known in Hong Kong; and
- c) use of the registered mark by someone other than the trade mark owner on other

goods or services would be likely to detract from its distinctive character in relation to the goods or services for which it has been so used;

Then the mark may be registered as a defensive trade mark in respect of any or all of those other goods or services, even if there is no intention to use the mark for those goods or services

More legal assistance in HK is needed?

Please reach out to your HK team!

(HKteam@changtsi.com)



Michael Wu, Partner

As the assistant of the founding partner, Lihan assists the founding partner and managing partner to handle legal matters and run daily operations, who is responsible for producing important materials required by partners' overseas visits, international conferences. As the director of client relations in the firm, she has led the team to win the bidding of new domestic and foreign clients many times. Meanwhile, she also manages and connects more than 130 global cooperative law firms and in charge of all trademark outbound cases of the firm.

More than six years' academic background in law built her solid legal foundation and professional. At present, she not only serves as the outside legal counsel of Wilsonart, but also as the litigation attorney of Alibaba Group, Midea Group, and Dart Industries Inc. and helped clients got many favorable judgments. Lihan has become a rising young lawyer in the IP field.

Chang Tsi & Partners Recognised as “Most Trustworthy Partner” by BorgWarner

Recently, Chang Tsi & Partners has been recognised as the “Most Trustworthy Partner” by BorgWarner for its continuous and effective legal support.

BorgWarner is one of the world's largest auto parts suppliers, and 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.