Chang Tsi & Partners
铸成津师事务所

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Highlights of September

Chang Tsi & Partners Awarded Highly Recommended Firm by Asialaw Profiles 2022

In the newly published edition of Asialaw Profiles 2022/23, Chang Tsi & Partners has been awarded as a Highly Recommended Firm. In addition, Spring Chang and Simon Tsi, founding partners of the firm, have been named “Elite Practitioner” and “Notable Practitioner” respectively.

Spring Chang Spoke at AIPPI World Congress in San Fransisco

Invited by AIPPI, Spring Chang, Founding Partner of Chang Tsi & Partners, delivered a speech on China’s trademark protection at AIPPI World Congress in San Fransisco on 13 September 2022, introducing the latest updates and IP strategies to a global audience.

Michael Wu Invited to Preside over AIIPS

Recently, the second China AIIPS was successfully held in Hangzhou. Michael Wu was invited to preside over the sub-forum of "patent strategy, AI chips, and open-source software compliance", and made an exciting presentation together with four great figures in this field.

On Requirements for Disclosure Degree of Technical Inspiration During Inventiveness Judgement

With in-depth analysis and practical case study, this article written by Kim Lu provides a clear map of the disclosure degree of technical inspiration during inventiveness judgement..

Holiday Notice

Please note that the following dates have been declared as Public Holidays.

Mainland China: 1-7 October 2022
Taiwan: 8-10 October 2022
Hong Kong: 1-2 October 2022
Macao: 1-2 October 2022

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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For the last 28 years, Ms. Spring Chang, Founding Partner of Chang Tsi & Partners, has always devoted herself to IP services, including registration and protection of trademark, patent, copyright and domain name, IP management and assignment, and other IP-related fields. Her outstanding performance and rich experience in offering legal services to transnational companies have made her reputation in this legal sector.

Mr. Simon Tsi, Managing Partner of the firm, is mostly specialized in 1) intellectual property, 2) litigation & arbitration, and 3) corporate law. Always seeking the most customized solutions for each client globally, Mr. Tsi has handled numerous complicated cases, particularly, petitions, retrials, and crisis management for enterprises.

Asialaw Profiles is a leading legal-rating agency. Asialaw's 2022 edition provides law firm recommendations and editorial analysis of key practice areas and industry sectors across 23 jurisdictions from China to Vietnam.

Spring Chang Awarded Top 15 IP Versatile Practitioners by LEGALBAND

We are pleased to announce that Spring Chang was awarded "2022 Client Choice: Top 15 Intellectual Property Versatile Practitioners" by LEGALBAND with her abundant professional experience and a high reputation among clients.

As a well-known legal rating agency under Accurate Media Group, LEGALBAND provides in-depth knowledge related to the 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 of the legal service market for its extensive knowledge and experience in professional fields. The major roles that LEGALBAND plays 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.

Named the World's Leading Intellectual Property Lawyer by Chambers & Partners, Spring Chang has advised and represented numerous world's leading firms in a wide array of business sectors. She has been also invited by renowned legal associations and institutions worldwide to share her extensive knowhows in trademark and design patent law.

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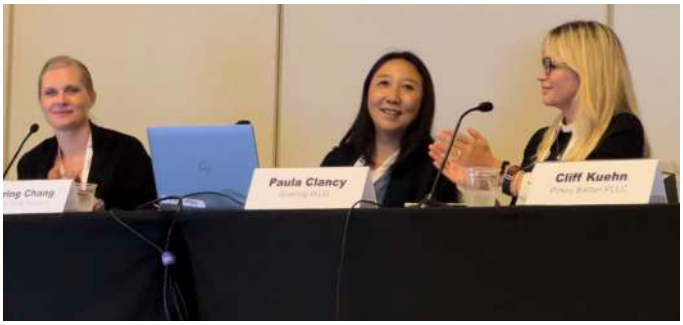
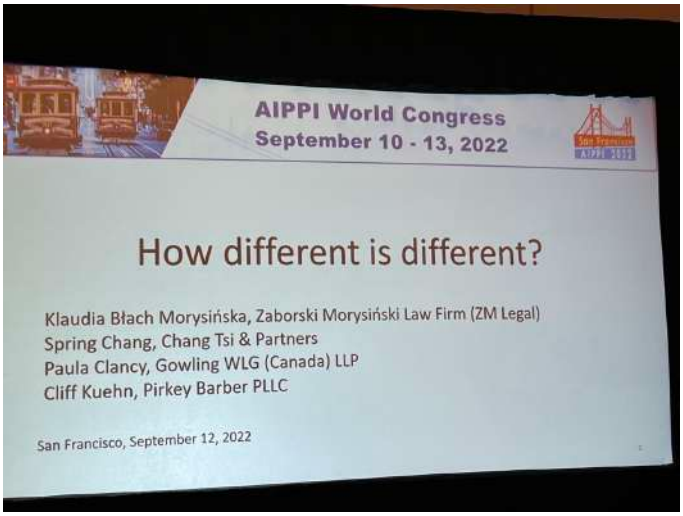
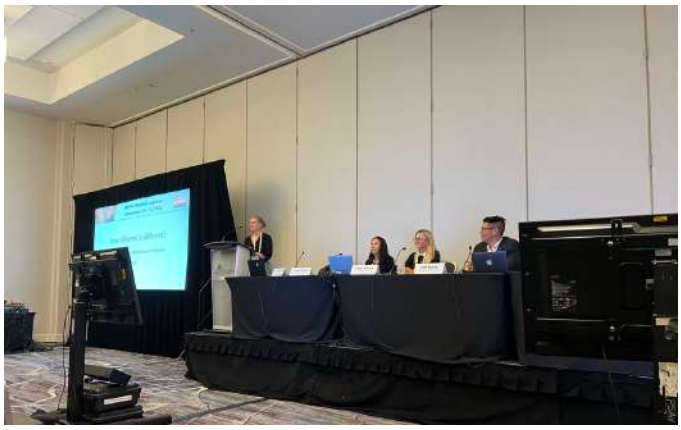


The annual AIPPI World Congress offers excellent networking opportunities, and the Thought Leader Panel Sessions collect and



share the expertise of world-leading IP scholars and practitioners. Named the World's Leading Intellectual Property Lawyer by Chambers & Partners, Spring Chang has been invited to the Selected Panel Session - Composite Trademarks: How Different is Different? With the other three panel speakers from different jurisdictions, Spring Chang introduced the legal basis, typical cases, and potential strategies for trademark protection in China, and deeply communicated with the audience.



AIPPI World Congress is the annual event organized by the International Association for the Protection of Intellectual Property (AIPPI), the world's leading international association dedicated to the development and improvement of laws for the protection of intellectual property. With about 8000 members worldwide from more than 131 countries, it is one of the most important organizations in the IP industry.

Michael Wu Invited to Preside over AIIPS

Recently, the second China AIIPS was successfully held in Hangzhou. As a partner of the Summit, Chang Tsi & Partners have made a significant contribution to the preparation and holding of the Summit. Michael Wu, one of our partners, was invited to preside over the sub forum of "patent strategy, AI chips, and open-source software compliance", and made an exciting

presentation together with four great figures in this field.

With the continuous implementation of China's AI policies, the commercialization of technology applications is also accelerating. The problems faced by AI enterprises, such as patent layout, intellectual property risks, enterprise intellectual property management and intellectual property rights protection, have become increasingly prominent. Against this background, the second China AIIPS invited professionals from government departments, industry associations, well-known law firms, artificial intelligence enterprises, scientific research institutes and other related fields to discuss quality and efficiency improvement, risk prevention and control, and the value promotion of AI intellectual properties.

The Summit was attended by 200+ representatives of AI enterprises and hundreds of representatives of industry associations and law firms. It focused on the hotspots related to intellectual property in the field of AI and achieved fruitful results.

Michael Wu, one of our partners, was invited to preside over the sub-forum of "patent strategy, AI chips, and open-source software compliance", and together with other elites in this realm, held in-depth discussions on the global AI chip competition pattern and patent layout strategy, which won unanimous praise from the participants.

On Requirements for Disclosure Degree of Technical Inspiration During Inventiveness Judgement

Kim Lu | *Partner*

When whether the prior art or common knowledge evidence provides sufficient inspiration is judged such that a person skilled in the art would be fully motivated to improve the closest prior art, thereby obtaining a claimed invention, the opinions in the binding molecule case and the ultrasonic diagnostic instrument case provided by the Supreme People's Court of the People's Republic of China shall be complied with, and may become the technical inspiration only when the reasonable correlation of the technical information from the prior art or common knowledge evidence to the technical problem actually solved by an invention can bring about any inspiration to solve the corresponding specific technical problem. Combining the inspiration shall be a specific and explicit technical means other than an abstract thought or a general research direction.

In the case regarding appellant, China National Intellectual Property Administration vs appellee, Roger Kingdon Craig from Erasmus University Rotterdam, Medical Center, administrative dispute over reexamination of invention patent application [(2019) SPC IP Admin. Final 127), hereinafter referred to as "binding molecule" case], the Supreme People's Court points out: **when faced with the objective technical problem to be solved, the inspiration as can be known from the prior art by a person skilled in the art shall be specific and explicit technical means in principle other than abstract thoughts or general research directions.** Identifying the inspiration provided by the prior art only according to consistency of the research directions and the abstract and common pursuits in the art implicates the danger of hindsight, and the inventiveness of an invention will easily be underestimated. Those inventions which seem to be obvious superficially are also possible to have inventiveness in fact. Once the technical solution of an invention is formed, it may be generally found out that it can be deduced from some known facts through a series of quite simple steps. For avoiding such hindsight, comprehensive, cautious and realistic assessment must be

Kim Lu, Partner

Kim 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. Kim's practice is focused on patent infringement and invalidation actions, patent prosecution, unfair competition litigation, antitrust litigation, etc.

made to make ensure whether a person skilled in the art could readily obtain the technical solution in the present application on the basis of all the perceived prior art when faced with the problem to be solved by the present application.

The most important point in dispute in the case relates to step 3 in the three-step approach for judging the inventiveness, that is, the step to judge "the technical inspiration". **This step is a key one reflecting the object of setting the Article regarding inventiveness in the Patent Law, and whether the judgment conclusion is accurate will directly affect realization of the object of the Article.** Thus, the step is the most core and key step for judging the invention. In this step, just as pointed out by the Supreme People's Court in the case, the problems regarding subjective assumption, improper grasp of the level of a person skilled in the art, and "a second guesser" generally occur. In the case above, the prominent performance is the problem regarding the degree of the technical inspiration. Just as pointed out by the Supreme People's Court, the teaching of the prior art obtained from the source of the technical inspiration shall achieve an objective, accurate and complete degree. Only when the degree reaches the degree such that a person skilled in the art would create the "motivation" to improve the closest prior art, this means that the invention is obvious with respect to the prior art .

Unfortunately, a large number of cases in practice of the substantive examination and reexamination and invalidation of patents have ambiguous problems in terms of the source and reasoning of the "technical inspiration". Whether the technical inspiration achieves the objective, accurate, comprehensive and complete degree generally lacks argument and is subjectively assumed. What is prominent is the problem, namely, "common knowledge" used is too general, subjective and indiscreet, and lacks of specific reasoning. A focus issue in practice is as follows: when the common knowledge evidence such as a textbook or a reference book is cited, the relevant contents in the evidence are superordinate and generalized in terms of technical field, tend to be abstract and general in terms of technical features, and are often lacking technical effects or ambiguous.

The judgement above made by the Supreme People's Court provides a clear dissenting opinion to such practice, which is totally approved by the author. The article further interprets use of the abstract and general contents as the errors in the technical inspiration with epistemology, holism and the principles in the communication field as examples and from another case made by the Supreme People's Court in the electromechanical field. In addition, the article further intends to provide reference as for how to judge whether the technical inspiration reaches the objective, accurate, comprehensive and complete degree more accurately from the "Obvious to Try" related cases and legal points in the US Patent Law.

It is held in the article that when seeking for the technical inspiration, a person skilled in the art shall place emphasis on the specific and detailed teaching, and cannot generally obtain the teaching regarding the specific features directly from the abstract principles.

The technical contents of principle nature are generally present in textbooks. Some reference books such as technical manuals also provide a brief introduction to the

technical principles. The contents disclosed in the textbooks often focus on the introduction of basic concepts, basic principles, and basic methods based on the general principles in the corresponding field, supplemented with specific designs, specific systems and specific applications. The textbooks in the field of engineering technology will introduce the specific systems, mechanical structures and system designs as examples. For facilitating discussion, opinions are stated in the article with the textbooks as examples.

According to the definition made by a person skilled in the art, he would know common technical knowledge in the technical field prior to the date of filing or date of priority, and could obtain all of the prior art in the field, and have the capability of applying the conventional experimental means prior to the date, but he would have no creative ability. However, creative efforts are often needed to apply generic principles in technology or engineering into specific conditions for solving specific technical problem, and even to find out a new problem and solve the new problem in the process.

The abstract and general teaching is insufficient to guide specific practice from the epistemological perspective.

The materialist epistemology in philosophy tells us that knowledge is derived from practice, and theoretical knowledge (abstract common knowledge of principle nature in textbooks) acquired through practice must also get back to practice . The practice process here refers to a process of using the inventiveness of "common knowledge" in solving a specific technical problem and designing specific solutions so as to realize specific technical effects. It is pointed out in the materialist epistemology that perceptual knowledge steps up to the conceptual knowledge on the basis of practice, and this is the first dynamic leap during the cognitive process (producing theoretical and fundamental "common knowledge" in the textbooks). However, when people use the conceptual knowledge above back to practice (a process of applying a principle with the "common knowledge" property in textbooks into specific practice), this is deemed as the second dynamic leap during the cognitive process, and is the most important leap. As can be seen, the materialist epistemology is also deemed as a process of combining "common knowledge" with specific technical fields, and will produce "a leap" expressed with words for evaluating the inventiveness of the patent. The results (technical solutions) produced in the process will produce prominent technical effects and notable progress, and will have inventiveness to some extent.

As for the relationship between theory and practice, theory is not applied in practice directly in most cases. Instead, a series of intermediate steps are needed. As for big steps, theoretical concepts shall be converted into practice concepts first. The theoretical concept step refers to a process of knowing, reflecting and reproducing the outside world by people on the basis of practice, and what is pursued is as follows: people's concepts conform to the outside world, and people have scientific knowledge of the outside world. The practice concept mode for people to grasp the outside world is presented in the forms including guidelines, policies, paths, programs, strategies and tactics, schemes, objectives and requirements, design blueprints, analog graphs and so forth, and directly dominates people's concepts for practical activities with

reformation of the outside world and "creation of a brand-new object which is absent in the outside world" as the immediate objectives . The theoretical concept step above is the process of forming scientific discovery and summary of scientific principles in terms of scientific technologies. The practice concept step above is the process of pursuing specific technical effects when faced with the specific technical problem after people grasp the scientific principles in the "textbooks".

Now back to a person skilled in the art, we would like to ask is what shall we do if this virtual person has no capability of applying theories into practice or whether he knows common technical knowledge, and knows all the prior art in the field, and can also conduct conventional experiments? However, what shall we do if he has no capability of correlating theories with practice, and whether he can directly reform practice under the abstract and fundamental theories? This process needs specific consistence of subjectiveness and objectiveness, theories and practice, and knowing and doing. It shall say that any measure that can be taken by this virtual person can be taken only when specific "inspiration" is needed, and the person has no creative ability when faced with "common knowledge" of the principle nature. Thus, even a person skilled in the art without subjective initiative does not what to do.

Let's say it figuratively, "principle" or "law" is a science of success just like "Chicken Soup for the Soul" which is full of general doctrines, but is insufficient to provide real and effective inspiration. What is described commonly in principle in the science of success is as follows: "you need to give yourself a clear bottom line at any time because someone will wear down your bottom line inch by inch most often. When you have no bottom line, you will be completely controlled by others". After taking this spoonful of chicken soup by a youngster, what real effect will be brought to his success? For example, as for the current condition of a youngster, when just entering the workplace, the youngster has no clear career goal. He feels that the work is boring, and is low-paid and not expected to get promoted (the current situation of "the prior art"). As for the small goal he would like to achieve ("the claimed invention-creation"), what "technical inspiration" can be provided by the Chicken Soup above to him such that he is motivated to and can (could and would) realize career achievements ("technical effect")? The answer is no since the inspiration above is too general and is too fundamental. For instance, words such as "bottom line", "control" and "wearing down" are not clearly defined in the Chicken Soup; why "someone wears down the bottom line" is not reasonably explained; the process between "requiring a bottom line" and "being not controlled by others" is not clearly explained, either . The youngster would rather have a long conversation with his role model than attempting to acquire nutrition from the Chicken Soup to learn about which specific difficulties were overcome and what specific measures ("specific technical inspiration") were taken when our predecessors were freshmen. Only in this way, these specific voices of experience may possibly provide real guidance to youngsters.

Trying to see whether the technical inspiration can be provided from several principles in the communication field:

We may start from several "common knowledge" evidences of principle nature as

examples to see what "inspiration" can be provided by such common knowledge to a person skilled in the art. "Common knowledge" in the communication field is the balancing relationship between effectiveness and reliability in the communication system design, and the relationship may be reflected by the Shannon formula.

C = 12log(1+P/N)

C in the formula is the channel capacity, that is, the maximum transmission rate in the channel; **B** is the channel bandwidth, and is an effective measurement standard; **S/N** is the output signal to noise ratio of the channel, and is a reliable measurement standard. The Shannon formula indicates that effectiveness and reliability can be exchanged at a certain channel capacity, that is, when the bandwidth resource is limited, exchange may be made by increasing the signal power S; when the power resource is limited, exchange may be made by increasing the signal bandwidth B . The balancing relationship still has many more specific "secondary" principles. For example, in the analog communication system, how to select the modulation manner is guided by the principle. Thus, the secondary principle derived is as follows: the signal to noise ratio received by the FM is higher than that by AM, but the bandwidth required is higher than AM. Hence, in scenarios where the signal quality is highly required, the bandwidth shall be sacrificed to improve the signal to noise ratio, and the FM modulation manner shall be selected in system design; when the signal quality is not highly required, and the bandwidth resource is lacking, AM shall be selected. For another example, the secondary principle in the digital communication system is as follows: the modulation manner with high power and efficiency such as multiple frequency shift keying (MFSK) shall be selected in a system with limited power where the sending power is saved by sacrificing bandwidth; the modulation manner with high bandwidth and efficiency such as multiple phase shift keying (MPSK) shall be selected in a system with limited bandwidth where the bandwidth occupied is decreased by sacrificing power.

However, can the aforesaid "common knowledge" of the "basic" and "secondary" principle natures provide any inspiration to a person skilled in the art such that he could "improve" the prior art where specific technical defects are present? The answer is no in most cases. In contrary, if a new technical means is used in the technical solution to be applied to obtain corresponding technical effects on the basis of the existing technical solutions by applying the principles in the art, it shall be deemed that this process is at a height of high creativeness. Under such circumstances, it shall not be deemed that the solution to be applied is obvious only because there are other specific technical means in the corresponding field, and the technical principles above are also reflected.

During the substantive examination or invalidation, we are faced with specific technical solutions one by one. With respect to the closest prior art, both the distinguishing technical features determined and the technical problem solved actually by the invention are specific and present in "contexts" where are full of details, and are

also generally associated with other technical features. The principles above disclosed in textbooks do not "live" in technical details. Due to the universality emphasized, the disclosure tends to be abstract, and is detached from the specific application environment. Such disclosure cannot provide specific guidance or "inspiration" to a person skilled in the art. Even though a person skilled in the art "grasps" "knowledge" with the principle property above, this does not mean that he grasps the specific "examples" with the principles above.

Of course, it can be deemed that the corresponding technical inspiration may be provided for a person skilled in the art if there are "examples" specifically applying abstract principles in textbooks, the examples fall within the same or similar subdivided technical fields, and are substantively similar to the technical solution in the present application in terms of technical features, and the existing "examples" are also used in solving the corresponding specific technical problem, and achieve the corresponding specific technical effect.

To see why it is erroneous to directly cite "a principle" or "a law" as the technical inspiration from "holism":

First, "holism" is a principle that must be adhered to for judging inventiveness, and this is elaborated in many places in documents such as the Guidelines for Patent Examination and "Operating Procedure for Examination". The summary is made here as follows:

"The examiner shall make a judgment, starting from the closest prior art and the technical problem actually solved by the invention, as to whether or not the claimed invention is obvious to a person skilled in the art. In the course of judgment, what is to be determined is whether or not there exists such a technical motivation in the prior art as to apply said distinguishing features to the closest prior art in solving the existing technical problem (that is, the technical problem actually solved by the invention), where such motivation would prompt a person skilled in the art, when confronted with the technical problem, to improve the closest prior art and thus reach the claimed invention."

"The examiner shall consider not only the technical solution itself, but also the technical field to which the invention pertains, the technical problem solved, and the technical effects produced by the invention. The invention shall be considered as a whole."

"The examiner must consider the claimed invention on the whole, that is, when determining a distinguishing technical feature between the invention and the prior art, the problem that shall be considered shall not be whether the distinguishing technical feature is obvious, but whether the claimed invention is obvious on the whole. For example, generally speaking, in the claims of an invention by combination, each feature is considered to be known or obvious. However, the examiner cannot deem the whole invention to be obvious accordingly."

"Similarly, the examiner must consider reference documents on the whole, that is, the examiner shall consider not only the technical solutions disclosed by the reference documents, but also pay attention to the technical field to which they pertain, the technical problem solved, the technical

effects achieved, and the description of the function, principle, and respective technical features in the technical solutions in terms of selection/improvement/modification and so forth so as to understand the teaching provided by the prior art as a whole."

"When considering whether there exists the technical inspiration in the prior art as a whole, the examiner shall fully consider whether the prior art provides contrary teaching and positive teaching for solving the technical problem to be solved by the invention."

Based on the rules regarding "holism" above, it can be seen that if only abstract principles, laws, formulae and general design rules serve as "common knowledge", such common knowledge is hardly to become a complete "technical solution". The problem solved or the effect achieved, if disclosed, is only abstract, and is not possibly applied directly. In this way, the contents with the principle nature above as the teaching violates the "holism" principle because such contents cannot provide the "holistic" teaching, and this is the reason why the use of abstract and general teaching in the three-step approach readily causes hindsight. The feature is common knowledge disclosed in the textbook, and is obvious of course. It is hardly known that when such judgment is made, disclosure of more dissociated and abstract concepts other than specific features in the textbooks is often disregarded.

Conclusion

It is believed in the article that when whether the prior art or common knowledge evidence provides sufficient inspiration is judged such that a person skilled in the art would be fully motivated to improve the closest prior art, thereby obtaining the claimed invention, the opinions in the binding molecule case and the ultrasonic diagnostic instrument case provided by the Supreme Court shall be complied with, and may become the technical inspiration only when the reasonable correlation of the technical information from the prior art or common knowledge evidence to the technical problem actually solved by an invention can bring about any inspiration to solve the corresponding specific technical problem. Combining the inspiration shall be a specific and explicit technical means other than an abstract thought or a general research direction. If the prior art or common knowledge evidence only discloses the basic principle relating to "a distinguishing technical feature", inventive efforts shall be made to utilize such "inspiration" with the principle nature into the technical problem to be solved by the claimed patent, thereby realizing the technical effect thereof. The danger of using the excessively fundamental contents as the technical inspiration lies in that this will easily lead to hindsight, and will quietly easily cause disregard for the specific contents and specific designs of the distinguishing technical feature or disregard that the specific application of the principle by the inventor is inventive. Although it is not required that the prior art or common knowledge evidence discloses the same specific contents as the "distinguishing technical feature", the prior art or common knowledge evidence shall enable a person skilled in the art to realize that there exist a definite number of ascertainable and predictable solutions. These evidences shall further prompt the possibility of anticipated success such that a person skilled in the art would have sufficient driving force to pursue and try these solutions within his competence scope.