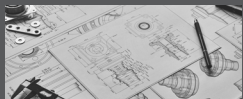




What's in this issue



p. 2 IP CHINA

New patent rules & guidelines for patent examination



p. 4 IP CHINA

Burberry awarded 6 million RMB in damages in China



p.5 IP CHINA

Anti-unfair Competition law for protecting trademark



p. 7 CIVIL LAW

Chinese jurisdiction first: a new civil procedure law in 2024



p. 8 IP ASIA

Luckin Coffee wasn't lucky in Thailand against copycat



p. 9 HFG NEW

Asia IP Expert, HFG partner @AIPPI Spring Meeting, APRAM membership

Dear readers,

We are about to say goodbye to the fluffy Rabbit and welcome the roaring Dragon!

The first news we bring to your attention is the analysis of the revised Rules for the Implementation of the Patent Law, followed by the Guidelines for Patent Examination, entered in force on January 20th.

Right after, we tackle the issue of the trademark squatters and the long battle carried by Burberry in China which finally got satisfaction followed by a contribution about a case where the Anti-unfair Competition law was used for protecting trademark.

Then we deep into the new Civil Procedure Law, into force on 1 January 2024, which gives jurisdiction to the Chinese courts over many international cases.

The last article talks about the story of Luckin Coffee, the Chinese coffee chain that suffered a setback in Thailand from a copycat: an unbelievable loss!

We close this issue with 3 announcements from HFG: first of all, Fabio Giacobello, HFG managing senior partner, has been recognised as one of the top 100 IP experts in China for 2023! And he is the only non-Chinese lawyer in the list!

Daniel de Prado will participate to the AIPPI spring meeting in Madrid, you can meet him there! See the announcement for details.

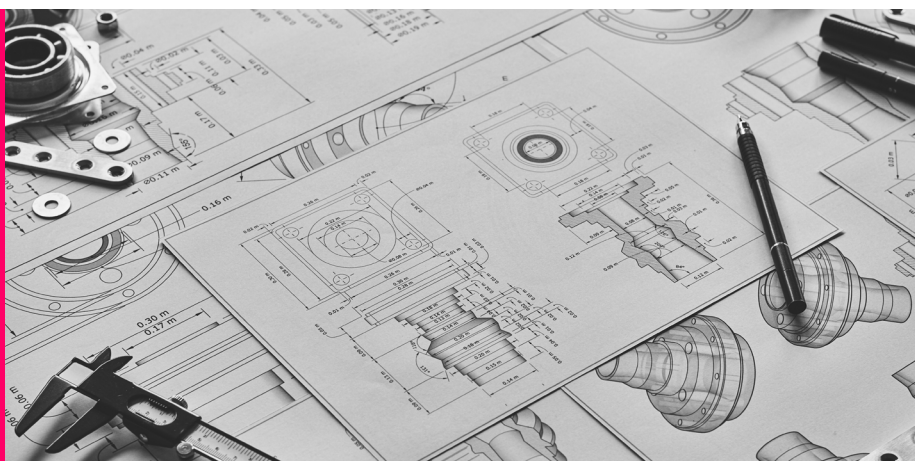
Last but not least, HFG is now a member of the APRAM – Association of Trade Mark and Design Law Practitioners!

And... 龙年大吉! We wish this year of Dragon brings you success in all aspect of your life.

Read us, follow us. Share us!

IP CHINA

New patent rules & guidelines for patent examination



On 21 December 2023, after more than two years of revisions, the China National Intellectual Property Administration (CNIPA) issued the finalized version of the revised Rules for the Implementation of the Patent Law, as well as the Guidelines for Patent Examination.

These changes became effective on January 20, 2024.

Both the new rules and examination guidelines include significant changes that will impact various aspects of patent applications and patent enforcement. More detailed provisions corresponding to the 4th amendments of the Patent Law have been unveiled.

We can see a trend in the Chinese patent law system becoming more aligned and compliant with other major jurisdictions such as better integration with PCT and The Hague Agreement while maintaining its individual characteristics.

Changes to the Patent regulations in China

The changes can be summarized (see below), but it's always better you to get in contact to our team for further assistance with your patent applications in China.

1. Application stage

✓ Period

§ Cancel the 15-day receiving period for electronic notifications

For notifications received through electronic path (CPC system), elimination of the 15-day mail delay in calculating most deadlines. The deadline starts from the date when the notification enters the agency's CPC system.

✓ Priority & Novelty

§ Grace period and correction of priority rights (for Utility model & Invention)

In order to better integrate with the PCT system, the new implementation rules of patent law stipulate a 2-month priority grace period for invention and UM (because PCT is mainly aimed at UM and invention applications) consistent with most PCT signatory countries.

That is to say, the priority declaration period for inventions and UM has been extended from 12 months to 14 months, but the 12-14 months period is a grace period that needs to be applied for with valid reasons.

Besides, if an applicant for an invention or utility model patent has claimed priority when submitting a patent application, even if one or more priority rights are omitted or incorrectly filled in during the submission of the patent application, they can still request an increase or correction of priority rights within 16 months from the priority date or 4 months from the application date.

However, the above priority addition and modification clauses also do not apply to design patents either.

§ Design applicants can claim domestic priority also from an invention or utility model application

§ Expanding the situation of not losing novelty from "domestic academic or technical conferences" to "international academic or technical conferences"

✓ Document

§ Combination of dotted and solid lines may be used for partial designs

In order to better align with the Hague Agreement on design, China has accepted and continued to use the expressions of many member states regarding partial design, that is, using dotted lines to represent the parts of a design product that are not required to be protected, and using solid lines to represent the parts that need to be protected.

Continue reading

2. Examination stage

- ▶ Up to 6 months for a secrecy review decision (similar to the US foreign filing license requirement).
- ▶ Good faith requirement for patent application filings. The examination of the principle of good faith and trustworthiness will run through the entire process of preliminary examination, substantive examination, reexamination, and invalidation procedure.
- ▶ Added creative examination of design and UM, but only to some applications that clearly lack creativity. This means that CNIPA's examination of design and utility models will become stricter, while the authorization rate will decrease.
- ▶ Deferred examination can be requested for invention application by 1, 2 or 3 years, for utility model by 1 year, and for design application by months up to 36 months. It is allowed for the applicant to withdraw the request for deferment before the expiration of the delay period.
- ▶ Patent term extension for pharmaceutical patents is calculated by deducting 5 years from the interval between the date of filing of the patent application and date of licensing of the drug.
- ▶ Required inventor remuneration can include equity, options, dividends, etc.; Minimum inventor remuneration is raised to 4,000 RMB for invention patent and 1,500 RMB for design and utility model.
- ▶ For patents that have modified their claims in invalidation procedures, CNIPA should publish the revised version again.
- ▶ Some patent invalidation cases can be directly made decision without a hearing.

Patent term adjustment (PTA)

Applicants are entitled to request patent term adjustment within 3 months from patent grant, if the invention patent was granted later than 4 years after the filing date and 3 years after the request for substantive examination.

Where compensation is granted for the patent authorization period, the number of days to be compensated is calculated as grant date minus 4 years from filing date or 3 years from the date of requesting substantive examination (whichever date comes later) and then minus number of days of reasonable delay and the unreasonable delay caused by the applicant.

PTA is not applicable to the invention patent via a dual-filing strategy.

Patent Term Extension (PTE)

PTE is available for new drug related patents, which refer to product patents, preparation method patents and medical use patents of API contained in a "new drug".

"New drug" refers to innovative drugs and specified improved new drugs according to the definition provisions of the related Laws and Regulations, and in accordance with National Medical Products Administration (NMPA) provisions.

N.B. Some of the changes to the Rules for the Implementation of the Patent Law of the People's Republic of China are quite detailed, so you should always seek advice from a local expert to ensure you understand how they relate to your specific applications and circumstances.

Royal Hu
HFG Law & Intellectual Property

IP CHINA

Burberry awarded 6 million RMB in damages in China



Burberry has been battling trademark squatters and infringers for a long time now in China. Two of the big squatters and infringers are the Chinese companies Shentu Clothing Shanghai and Xinboli Trading Shanghai.

These companies used similar trademarks to imitate the look and feel of Burberry clothing and related goods.

They used their registered trademark BANEBERRY, in order to sell trademark infringing goods, so that both the name and the logo would infringe upon Burberry's rights. Even the shape of the tag and the packaging imitated the way Burberry would do this.

More than 40 shops in large shopping malls in mostly first and second tier Chinese cities. They also sold trademarks infringing goods on the big Chinese e-commerce channels.

In 2021, Burberry won its first injunction in China against these two Chinese companies at the Jiangsu Intermediate People's Court of Suzhou. As a result of the awarded injunction, these companies had to cease selling Burberry trademark infringing goods.

They also had to scratch the references to be originated from London's Jermyn Street (a famous tailor street), and other references to classic Britain and London. The court awarded the injunction to immediately cease these activities as the scale of the infringement was immense and the harm that would be done to Burberry by not stopping it immediately would be irreparable.

Fast-forward two years, and now in 2023, the Jiangsu High Court ruled that these two Chinese trademark squatters and infringers have to pay Burberry 6 million RMB damages for infringing the Burberry trademark and the Burberry knight design trademark.

The Chinese party Xinboli had registered BANEBERRY as its mark, and Shentu was its licensee.

As BURBERRY was deemed a well-known trademark, and thus gets protection for all 45 classes, the five-year limit of article 13 Trademark Law to revoke the registered trademark of the other party, hence does not apply.

The damages of 6 million RMB were awarded as the well-known marks that BURBERRY has, were infringed on the goods where BURBERRY was the most famous for, i.e. clothing. This has also misled the relevant public.

This judgement fits in the recent Chinese jurisprudence that sees higher damages awarded for trademark infringement and anti-unfair competition law cases.

It is encouraging to see that foreign companies also receive damage compensation higher than before.

However, the damages awarded can still be higher in these types of cases, especially when compared to fully local cases. The above combination of an injunction first, and a compensation later, is a good way for right holders to enforce their rights in China.

**Reinout van Malenstein
HFG Law & Intellectual Property**

IP CHINA

Anti-unfair Competition law for protecting trademark



The Zhejiang High Court has upheld a first-instance decision and determined that infringing use of a trade name similar to other's prior trademarks constitutes unfair competition.

Michelin, the plaintiff of the case, is a French company known for its tire products as well as the Michelin Guide for fine restaurants and hotels. In China, it has its Chinese name “米其林” and “Michelin” registered in Class 12 and Class 16.

In 2021, Michelin became aware that a company located in Zhejiang Province used “Taizhou Huang Guan Mi Qi Lin Food Factory” as its company name, the first and third characters of which are identical with the Chinese name of Michelin, and the second character is different but with the identical pronunciation. Below please find the comparison (identical parts highlighted in red) of the two marks:

Defendant	Characters:	米	奇	林
	Pronunciation:	Mi	Qi	Lin
Plaintiff	Characters:	米	其	林
	Pronunciation:	Mi	Qi	Lin

According to the Article 58 of China's trademark law, whoever uses a registered trademark or an unregistered well-known trademark of another party as the trade name in its enterprise name and mislead the public, which constitutes unfair competition, shall be dealt with in accordance with the Anti-unfair Competition Law. Based on this, Michelin brought the case to the Ningbo Intermediated People's Court.

The defendant argued that canned food and tires were two different industries so there was no competition between the two parties. Furthermore, he also claimed that the trade name has been registered for over five years and thus could not be sued.

In 2022, the court issued the judgement, ruling that the defendants' using of infringing company name had constituted unfair competition. The defendant was ordered to stop using the name as its registered trade name and pay a compensation of RMB 15,000 to Michelin.

The defendants appealed. In March 2023, the Zhejiang High Court issued the final judgment which upheld the first-instance decision.

Our takeouts

Unfair competition against trade names often occurs in commercial activities. A trade name serves as the distinctive appellation for a business operator and holds significant importance as a business identifier. Consumers can distinguish different market entities through different identifiers to identify the source of goods/services. Unauthorized use of the same of similar trade name could cause confusion among consumers, harm the interests of the right owners and constitute unfair competition.

In China, trade names and company registration proceedings are governed and managed by the local Administration of Industry and Commerce, while trademarks are registered through the trademark office of the CNIPA. The proceedings are separately run in two different systems with different databases. In practice, disputes like this case often happen.

When deciding whether the use of a prior registered trademark as a company name constitutes unfair competition, it is important to take into consideration the similarity between the prior trademarks' designated goods or services and the company's business scope.

In this case, although the goods under the plaintiff's trademarks are different from the defendant's industry, there is a certain level of connection between the two parties (canned food and restaurant guide), therefore, there is a competitive relationship and related public could be misled.

Furthermore, the prior registered trademarks of Michelin have been widely used and gained high reputation. The significant parts the two parties' trademark and trade name are highly similar with the same pronunciation, which could be confusing for the consumers.

Both trade names and trademarks are important for business operations. It is recommended for companies to properly choose their trade names to avoid the situation of being similar to others' prior trademark, and right owners are encouraged to seek protection under different laws according to the situations.



Crystal Yulan Zhang
HFG Law & Intellectual Property

CIVIL LAW

Chinese jurisdiction first: a new civil procedure law in 2024



China has a new Civil Procedure Law, which came into force on 1 January 2024.

This new law has provisions that gives jurisdiction to the Chinese courts over many international cases. Yes, this was already a trend in China's jurisprudence: think about the OPPO/SHARP and the OPPO/Nokia cases.

However, with the new law coming into effect on January 1, 2024, we now know that it is the aim of China to claim and obtain jurisdiction over certain cases.

In this article, we will explain in which cases China will do this and will look at what this means for international companies. I.e. what to watch out for.

✓ Chinese jurisdiction if there is a proper connection to China

The new Articles 274 and 278 of China Civil Procedure Law provide, for any case with proper connection to China, to allow for a Chinese court to exercise jurisdiction over.

The Supreme People's Court already applied this principle. Examples are the OPPO/NOKIA and the OPPO/Sharp cases. The fact that it sees on any proper connection to China, would mean that it could be easy for Chinese courts to claim jurisdiction over international matters.

Furthermore, international companies need to be aware, as not failing to raise a jurisdictional objection to a Chinese court and to respond to a Chinese court, means that the Chinese court will have jurisdiction.

✓ Chinese jurisdiction even if foreign case already has started

The new articles 280, 281 and 284 now allow Chinese courts to exercise jurisdiction over cases that already have been filed first in a foreign court.

This can be the case if it concerns the sovereignty, safety or public interest of China. In case a foreign court is unable to take on the case or does not conclude this within a reasonable time period, the China court can take over jurisdiction.

✓ Service of proceedings possible to foreign legal representative visiting China

The new article 283 China Civil Procedure Law now makes it easier for China to service of proceedings to a foreign defendant can be done by delivering of the litigation documents to the legal representative of the foreign company when he or she travels to China.

This means that international companies need to be careful and mindful about whether their legal representative should travel to China.

Also, process can be served to the WFOE, representative office, branch office or business agent authorized to receive service of process established by the party to be served in China.

✓ In a nutshell

With the new Civil Procedure Law coming into force, it seems that China will more and more exercise jurisdiction over cases with a proper connection to China.

At the same time, it is expected to see China do this when it is about cases close to China's sovereignty, safety or public interest. It would be interesting to keep an eye on the meaning of especially public interest in the future, and how Chinese courts take over jurisdiction based upon that, and on what any proper connection would actually mean in practice.

We will keep you informed.

IP ASIA

Luckin Coffee wasn't lucky in Thailand against copycat



Chinese chain coffee brand Luckin Coffee, which aims to compete with Starbucks and owns the largest number of coffee shops in China, has faced a setback in Thailand due to a trademark dispute.

Luckin Coffee's distinctive logo features a deer looking to the right with a blue background. From the below comparison, you may easily notice that, except for the direction of the deer's head, the two logos are nearly identical.



Luckin Coffee logo registered in China Luckin Coffee logo registered in Thailand

In 2019, a Thai company named 50R Group successfully registered Luckin's trademark in Thailand and opened a number of coffee stores in the past few years.

The stores copied the design of Luckin, including the store decoration, logo design, coffee cup and handbag, except that the image of the deer in its logo had been flipped.

Below the comparison of the two parties' shops which are highly similar.



Luckin Coffee in China



Luckin Coffee in Thailand

Luckin Coffee soon became aware of this issue. In 2021, Luckin filed a lawsuit before the court in Thailand based on trademark infringement and received a favorable first instance ruling.

In 2022 Luckin Coffee made a public announcement, stating that they had not yet entered the Thai market and the "Luckin Coffee" stores found in Thailand were not operated by the official Luckin Coffee. They also emphasized that such "copycat" stores had caused serious damage to the brand, and they had taken legal action against them.

Despite all the efforts, followed by an appeal filed by 50R Group, in early December 2023, Thailand's Central IP and International Trade Court announced that Luckin Coffee had ultimately lost the case.

Furthermore, 50R Group reportedly claims nearly US\$ 2.9 billion in compensation from Luckin Coffee due to its suffer and economic losses from the previous disputes. Luckin responded on Weibo, saying that the news is "to be verified".

Luckin's loss in the lawsuit can be attributed to Article 63 of the Thai Trademark Law, which stipulates that a Thai company, upon initial trademark registration with the Thai Trademark Office, has the right to operate in the corresponding business in Thailand.

It often happens that a company has limited knowledge about the oversea preemptive trademark registrations, and even with such knowledge, companies oftentimes become aware only after the trademarks have been official registered.

Given the high cost and complexity of enforcing IP rights in foreign countries, as well as the fact that it's usually difficult for a right holder to provide evidence to prove its reputation in the local market, it is highly recommended for companies which plan to expand overseas to have their trademarks properly registered in the destination countries beforehand and consult professionals to get familiar with local laws as well regulations.

HFG NEWS

HFG news & updates



The announcement of Asia IP Experts 2023 – China has been made online: we are glad to announce that Fabio Giacobello, HFG managing senior partner, has been recognised as one of the top 100 IP experts in China for 2023!

To make this achievement even more precious, he is the only non-Chinese lawyer in the list!

Congratulations Fabio for this award which demonstrate once again your dedication and your deep and sound knowledge of the Chinese IP Law.

To know more about Fabio or get in contact with him, click [here](#).

Full result [here](#) (China) and [here](#) (global).

Meet Daniel de Prado at the AIPPI Spring Meeting in Madrid! AIPPI Spring Meeting will be held on 22-23 February 2024 in Madrid.

The 2024 Spring Meeting will offer a variety of panel sessions on hot topics proposed by the Standing Committees.

Daniel de Prado Escudero has developed a great expertise on intellectual property rights, privacy and corporate affairs in China, providing advice to foreign clients with interests in China.

Daniel is fluent in Spanish, English and Italian and has a basic understating of Mandarin.

To schedule a meeting with Daniel click [here](#)



We are glad to announce that HFG is now a member of the APRAM – Association of Trade Mark and Design Law Practitioners.

APRAM is an international francophile Association grouping together Intellectual Property legal experts.

The Association blends the three component IP "families": in-house lawyers, Attorneys-at-law and Industrial Property Attorneys which provides a unique singularity, creativeness and insight into a world in perpetual change for the benefit of all its members.

APRAM is regularly called upon to take an official position on intellectual property issues, either on its own initiative or at the request of various public institutions, national or European.

Happy Chinese New Year!

We wish this year of Dragon brings you success in your career and business endeavors.

Our offices will be closed from February 10th until 17th. We will resume work on February 18th.

龙年大吉 Lóng nián dà jí

Great luck in the Year of the Dragon!

