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IP Statistics



Utility Model Patent Grants Declined by 713,800 in 2023

Recently, the China National Intellectual Property Administration (CNIPA) published on its website the main statistical data of intellectual property for the year of 2023. As compared with the same period of 2022:

The granted invention patents increased by 122,500 (**a year-on-year increase of 15.34%**);

The granted utility model patents decreased by 713,800 (**a year-on-year decrease of 25.46%**);

The granted design patents decreased by 83,000 (**a year-on-year decrease of 11.51%**).

By December 2023, the total of valid patents of the three types reaches up to 2,035,3000.

Among the domestic patent grant statistics classified according to the types of the patentee including public institutions, colleges and universities, scientific and research organization, and natural persons, all types of patentees except for public institutions saw **a steep decline of granted utility model patents** in the period from January to December 2023. Specifically, the colleges and universities saw a decline of 49.69%, the natural persons saw a decline of 48.58%, and the scientific and research organizations saw a decline of 41.2%. The year 2023 saw a total decrease of 713,800 of utility model patent grants.

The invention patent grants saw a year-on-year increase of 15.34%, among which invention patents granted to public institutions increased by 66.52%, and to natural persons decreased by 8.68%.



Official Fee Reduced for Design Registration in Hong Kong from March 1, 2024

According to a latest official announcement by Intellectual Property Department, the fee for design registration in Hong Kong has been reduced with effect from March 1, 2024. This measure is to further optimize the innovation environment and to promote the development of IP trading. The reduction covers the fees of various design registration and post-registration services with effect from March 1, 2024.

Authorizations Related to Oral Hearing in Invalidation Procedure

According to a work notice of CNIPA, for invalidation requests filed since January 20, 2024, the party concerned may authorize a patent attorney at a patent agency, or his own close relative, a staff member or an Attorney-at-law recommended by the All-China Lawyers Association to act as the agent in the oral hearing of a patent invalidation case.

Patent Term Adjustment Procedures

According to a recent a work notice from CNIPA, when a patentee seeks a Patent Term Adjustment (PTA) under Article 42.2 of the Chinese *Patent Law*, they must submit a request to CNIPA **within three months from the publication date of the patent grant**. For pharmaceutical patents seeking PTA under Article 42.3 of the Chinese *Patent Law*, the request must be lodged with CNIPA **within three months from the date when the new drug receives marketing authorization in China**. These deadlines for requesting PTA are non-restorable if missed.

Upon applying for a PTA based on Article 42.2 of the Chinese *Patent Law*, the patentee should remit the prescribed fee in compliance with the fee schedule within

three months from the publication date of the patent grant. Similarly, when requesting compensation for a pharmaceutical patent term under Article 42.3, the due fee should be paid in adherence to the set fee policy within three months from the date when the new drug receives marketing authorization in China.

Should the aforementioned fees not be paid in full within the specified time limit, CNIPA will issue a Decision of Refusal for Patent Term Adjustment. Upon receiving a Decision of Allowance for Patent Term Adjustment from CNIPA, the patentee must then pay the corresponding fees as outlined in the fee policy, in accordance with the requirements detailed in the Patent Term Adjustment Decision.

Subsequent to CNIPA issuing a Decision of Allowance for Patent Term Adjustment, pertinent details will be recorded in the Patent Register and published in the Patent Gazette. Published information shall encompass: the IPC primary classification number, application date, patent number, grant announcement date, the name of the drug and its approved indications (for drug

patent term adjustments only), the original patent expiration date, and the adjusted patent expiration date.

In the event that the patentee is dissatisfied with the Decision concerning the patent term adjustment, they reserve the right to request administrative review with CNIPA.



How to Apply for A Patent Open Licensing?

In accordance with Article 50 of China *Patent Law*, where the patentee declares in a written statement to the patent administration department under the State Council that he/it is willing to licensing any entity or individual to exploit his/its patent and specifies the method and standard of payment of the licensing fee, the patent administration department under the State Council shall makes a public announcement and implements an open licensing; where an open licensing declaration relates to a utility model patent or a design patent, a patent right evaluation report shall be provided.

Where the patentee withdraws the open licensing declaration, he/it shall submit a written withdrawal, which shall be published by the patent administration department under the State Council. The validity of the previous open licensing will not be affected if an open licensing declaration is announced to be withdrawn.

For an open licensing declaration filed by a patentee in accordance with Article 50.1 of the China *Patent Law* since June 1, 2021, the CNIPA will start examination according to Rules 85 to 88 of the *Implementing Regulations of the China Patent Law*, and Part V, Chapter XI of the *Guidelines for*

Patent Examination, from January 20, 2024 (inclusive).

1. Submission Timing

Where a patentee voluntarily opts for an open licensing for a patent his or its own, the declaration should be submitted following **the date of the patent grant announcement**.

2. Method of Submission

The patentee is encouraged to submit the patent open licensing declaration in **electronic format**.

3. Required documents

A signed or sealed patent open licensing declaration and a concise explanation of the

basis and methodology for calculating the licensing fees are mandatory components.

4. Fees

Regarding patents subject to open licensing, the CNIPA shall reduce the annual fees that has not expired from the date when the open licensing has been officially recorded.

5. Examination and Notification

Upon review, if an open licensing declaration conforms to the relevant provisions, the CNIPA will approve the announcement and issue a Notification of Approval for Announcement of the Patent Open Licensing Declaration.



CNIPA and JPO Publish Joint Comparative Study Report on Chinese and Japanese AI Patent Examination Practices

In recent times, artificial intelligence (AI) technology has experienced exponential growth, leading to a substantial surge in associated patent applications. To facilitate

a deeper comprehension of the patent examination norms and procedures pertaining to AI, the China National Intellectual Property Administration

(CNIPA) and the Japan Patent Office (JPO) have collaborated on a comparative study of AI patent examination cases, culminating in a comprehensive study report.

This Report is bifurcated into two distinct sections: Examination Guidelines and Case Analyses. Under the Examination Guidelines section, the report delves into the patentability of AI-related subject matter, meticulously examining criteria such as novelty, inventiveness, adequate disclosure within the specification, and the description's support for the claims. In the Case Analyses section, 16 representative cases are chosen to undertake a comparative analysis of the examination process and outcomes from both patent offices.

Overall, AI-related innovations are acknowledged as patentable subject matter by both CNIPA and JPO. Both jurisdictions' legal frameworks impose essentially similar substantive requirements for securing

invention patents in the AI domain. Three critical conditions are shared by both offices:

1. An AI-related invention must qualify as a statutorily defined "invention" falling within patentable subject areas and not excluded categories.
2. The claimed invention must exhibit novelty and inventiveness (non-obviousness).
3. The specification and claims must meet the requisites of complete, enabling disclosure, with the claims being adequately supported by the description.

Despite the similarity in overarching principles, subtle differences in the specific examination criteria employed by the CNIPA and JPO result in examination decisions that are not entirely uniform between the two offices.



Trademark Invalidation Administrative Dispute Between B & W GROUP LTD, China National IP Administration and Yiwu Pinshang Auto Products Co., Ltd. (2022) 京 73 行初 No. 11026

[Brief]

B & W GROUP LTD (“B & W”) filed an invalidation request against the trademark No. 32974277 in Class 12. The China National IP Administration (“CNIPA”) issued a decision on invalidation request, finding that the disputed trademark and the cited trademarks do not constitute similar trademarks used on similar goods, and thus maintaining the registration of the disputed trademark. B & W was dissatisfied and filed a lawsuit. The Beijing Intellectual Property Court made a judgment, holding that the disputed trademark “Bovvers & Wlikins” used on goods “upholstery for vehicles and etc.” in class 12 constituted a similar trademark used on similar goods to the cited trademarks “BOWERS & WILKINS” and “宝华韦健” (BOWERS & WILKINS in Chinese Characters) in respect of goods “loudspeakers and etc.” in class 9, and violated Article 30 of the Trademark Law and should be declared invalid in accordance with the law. The decision of the CNIPA was subsequently revoked.

[Reasoning of the court]

When determining whether coexistence of two marks would cause confusion among the public, the degree of similarity between the two marks and the degree of similarity between the goods shall be considered. In this case, “vv” in the disputed trademark “Bovvers & Wlikins” are visually similar to the letter “W” in the same position in the cited marks 3 and 4 i.e. “BOWERS & WILKINS”, and “li” in the disputed trademark are in the same position as the “IL” in the citations. The disputed trademark shall be considered confusingly similar to the cited trademarks 3 and 4 in terms of letter

compositions, pronunciations and overall visual effects. Meanwhile, the disputed trademark should be considered similar to the cited trademarks 1 and 2 i.e. “宝华韦健” (BOWERS & WILKINS in Chinese Characters) in terms of similar pronunciations. In accordance with local Nice Classification, the goods under the disputed mark and those under the cited marks are not considered as similar to each other. However, the Nice Classification should not be taken as the sole criteria but only a reference in determining similarity of the goods. The Plaintiff is a manufacturer of audios including the main products car audios which are overlapped with or closely related to decorations in vehicles and other automotive assembly parts under the disputed mark in terms of functions, usages, sales channels and target consumers. Further, according to the Notary Certificate submitted by the Plaintiff in the litigation stage, the Third Party used the identical words as the cited trademarks 1 and 2 “宝华韦健” (BOWERS & WILKINS in Chinese Characters) in promoting the products and the publicity pages in the shops also demonstrate the bad faith of the Third Party in taking free ride of the reputation of the Plaintiff. In light of the similarity of the marks at issue and the close relationship between the designated goods thereof, there is likelihood of confusion arising from co-existence of the subject trademark registration and the cited marks. Therefore, the registration of the disputed trademark shall violate Article 30 of the Trademark Law and the CNIPA decision should be canceled.

[Our contribution]

Mr. Hong ZHENG and Ms. Liling YUAN, attorneys of Tee & Howe, represented B & W and won this case. The difficulties of this case are that the goods under the trademarks at issue are not deemed as similar according to Nice Classifications while the evidences from the Plaintiff are not sufficient enough to have its cited marks as well-known marks, the disputed trademark was subsequently transferred to the Third Party while the number of the trademarks applied by the original registrant is low to reveal its bad faith. Facing these challenges, our attorneys focus on the close relation of the goods, the obvious bad faith of the Third Party and the actual confusion already incurred by the Third Party’ s actual business operation. The attorneys also arranged on-site investigations and found that the Third Party and the original registrant used the disputed trademark together with the Plaintiff’ s cited marks “宝华韦健” to mislead the consumers. The third Party

runs several shops of modifying car audios and describes the “car audios” just as “decorations in vehicles”, which reinforces and confirms the close relation between the Plaintiff’s goods “loudspeakers” and those of the disputed marks. These materials become the most striking evidence in this case to overturn the CNIPA’s decision and exceptionally render a cross-class protection for a non-well-known trademark but with certain fame.



Hong ZHENG
Partner; Attorney-at-Law

Mr. ZHENG is a PRC Attorney-at-Law specialized in the field of IPRs prosecutions and enforcement. His areas of practice cover counseling on trademark, domain name, copyright, unfair competition law and patent infringement, including advising on securing and defending IP rights, taking legal actions against bad faith applications, counterfeits and infringing acts, negotiating for acquisition of trademarks, licensing and handling UDRP actions.

Mr. ZHENG has acted for many multinationals in managing and protecting trademark portfolios in China and handled hundreds of trademark prosecution cases. He has also represented many leading companies in over 200 both civil and administrative litigations in China, some of which were widely recognized as landmark cases in the IP field.



Liling YUAN
Trademark Attorney; Attorney-at-Law

Ms. YUAN obtained her Master of Law degree from Renmin University of China. She joined Tee & Howe in 2015 as a trademark attorney and is currently acting as an Attorney-at-Law as well.

Ms. YUAN has almost 13 years' practicing experience in trademark field and specializes in the prosecution, enforcement, licensing, acquisition, anti-counterfeiting, infringement, dispute resolution and other IP-related matters. She has served numerous well-known domestic and international companies on trademark affairs. She could always combine her in-depth perspective with feasible strategy and provide practical recommendations for the clients.

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