

**Table of Contents**

AFD China Ranked Again in 2020 WTR 1000.....	1
CNIPA Maintains Normal Operations.....	1
China Intensifies Effort to Shorten Patent and Trademark Examinations .....	1
China Releases Added Value Data of Patent-intensive Industries.....	1
China's IP Protection Spurs Growth of Foreign Patent Filings.....	2
Chinese Companies Set Pace in Europe Patent Filings .....	2
China and Norway Start PPH Pilot Program .....	2
BVLGARI Gains Cross-class Protection in Trademark Dispute.....	3
P&G Triumphs over Local Trademark Freeriders.....	3

**AFD China Ranked Again in 2020 WTR 1000**

We are happy to share that AFD China Intellectual Property has been once again recognized as a recommended firm in prosecution and strategy in China by the international trademark ranking WTR 1000 2019.

This ranking result was “backed by fantastic feedback from long-time foreign associates”. “As the “go-to firm for Chinese IP advice, it provides high-quality advice at a reasonable cost”. “Clients appreciate their sincerity and extra service in trademark counseling”.

In addition, our president Ms. Xia Zheng has also been recommended. “With her flawless English, “Xia is always reliable, extremely responsive, extraordinarily competent and knowledgeable”, provides “legally and economically sound and profound advice” and is guaranteed to be on hand to resolve all types of trademark matter.

<http://afdip.com/index.php?ac=article&at=read&did=3555>

**CNIPA Maintains Normal Operations**

As China gradually recovers from the COVID-19 epidemic, China’s National Intellectual Property Administration (CNIPA) is running as usual. All deadlines are being maintained at this time.

At the same time, we have been providing uninterrupted services and will continue to process all filings and meet all deadlines without delay.

We truly hope that the situation will soon be resolved worldwide.

<http://afdip.com/index.php?ac=article&at=read&did=3550>

**China Intensifies Effort to Shorten Patent and Trademark Examinations**

China is speeding up the processing of patent and trademark examinations.

By the end of 2022, the processing time for an invention patent application will be cut to 16.5 months and that for a high-value patent application to about 13.8 months, the CNIPA said in a recent statement. In addition, the average time for reviewing a trademark application will also be reduced to within four months—the fastest worldwide, according to the statement.

Last year, the average examination time for trademark registration was shortened to 4.5 months, compared with six months in 2018, and the processing time for examination of high-value patents was reduced by more than 15 percent to 17.3 months, the latest administration data show.

<http://english.cnipa.gov.cn/news/iprspecial/1146640.htm>

**China Releases Added Value Data of Patent-intensive Industries**

The added value of China's patent-intensive industries in 2018 reached 10.71 trillion yuan (about \$1.53 trillion), contributing 11.6 percent to its gross domestic product, said a joint

statement by the NCIPA and the National Bureau of Statistics on March 13.

This is the first time that China has released such data, marking the establishment of accounting and release mechanisms for the added value of its patent-intensive industries.

The new equipment manufacturing industry had the added value of 3.28 trillion yuan, or 30.7 percent of that of all the patent-intensive sectors. It was followed by industries of the information technology for manufacturing and services, as well as new materials manufacturing. The healthcare, high-tech services and environmental protection industries ranked fifth, sixth and seventh.

<http://english.ipraction.gov.cn/article/News/202003/20200300241653.shtml>

### **China's IP Protection Spurs Growth of Foreign Patent Filings**

According to a CNIPA report, market entities from 186 countries and regions applied for patents and trademarks in China in 2019, an increase of 12 over the previous year.

Foreign intellectual property (IP) filings in China continued to grow. In 2019, the number of invention patent applications filed by foreign applicants reached 157,000, up 6 percent from the previous year. The number of foreign trademark applications reached 255,000, an increase of 4.7 percent year-on-year.

Japan, the United States and Germany applied for the most invention patents, with 49,000, 39,000 and 16,000 filings, respectively.

The United States ranked first for trademark applications in 2019 with 54,000 filings, a 5.3 percent increase over 2018, and Japan second with 31,000, growing 21.2 percent from the previous year. Britain was third with a 42.4 percent year-on-year increase of 24,000 applications.

<http://english.cnipa.gov.cn/news/iprspecial/1146419.htm>

### **Chinese Companies Set Pace in Europe Patent Filings**

Chinese companies witnessed the highest growth last year among leading patent filing countries at the European Patent Office (EPO), according to a report released on March 12.

The EPO Patent Index 2019 showed that patent applications originated from China at the EPO grew by 29.2 percent in 2019 to a total of 12,247, setting a record high.

In the past decade, patent applications filed by Chinese companies with the EPO have increased sixfold.

China moved up one place from 2018 to become the fourth-largest patent filing country at the EPO in 2019, trailing the United States, Germany and Japan.

In all, the EPO received more than 181,000 patent applications in 2019, an increase of 4 percent from 2018 and a new all-time high. The US accounted for 25 percent of the total applications, while Germany made up of 15 percent and Japan took 12 percent. China accounted for 7 percent.

Chinese telecom giant Huawei topped the list of all companies in the ranking of patent applicants at the EPO, up from No 2 in the previous year. Huawei was also by far the largest applicant in digital communication at the EPO in 2019, followed by Ericsson, Qualcomm and Samsung.

<http://english.ipraction.gov.cn/article/News/202003/20200300241968.shtml>

### **China and Norway Start PPH Pilot Program**

The Patent Prosecution Highway (PPH) pilot program between the National Intellectual Property Administration of China (CNIPA) and the Norwegian Industrial Property Office (NIPO) will start on April 1, 2020. The program was due to expire on 31 March 2023.

<http://www.cnipa.gov.cn/zscqgz/1146828.htm>

---

## SUPPLEMENTARY ISSUE

### **BVLGARI Gains Cross-class Protection in Trademark Dispute**

BVLGARI, an Italy- based company famous for its designer jewelry, is the right holder of No. 332078, No. 334038 and No. 340247 trademark BVLGARI and No. 3811212 trademark BVLGARI 宝格丽, which would be approved to be used on Class 14 goods such as jewelry. Bulgari Commercial Shanghai Company is a wholly-owned subsidiary established by BVLGARI in 2006 in China.

In 2014, BVLGARI found that some relevant symbols including 宝格丽 were used prominently in real estate business activities by Hunan Taskin Investment Company and Shenzhen Taskin Property Consulting Company. Shenzhen Taskin Industrial Company registered a trademark 宝格丽, certified to be used on Class 36 services such as entrusted management service, and authorized the above two companies to use. Consequently, BVLGARI and Bulgari Shanghai Company filed the case to Shenzhen Intermediate People's Court on the grounds that the three companies infringed its trademark right and trade name right.

The three defendants argued that the Taskin Investment Company was the owner of No. 9008821, No. 9013166 and No. 9013375 trademark 宝格丽 and they did not infringe the trademark right of the plaintiff.

Shenzhen Intermediate Court held that, the act of Taskin Investment Company and Taskin Property Consulting Company constituted trademark infringement and unfair competition. In the connection, the Court made its first- instance judgment on the case, ordering the three defendants to cease infringement, publish a statement and indemnify one million yuan in damages and reasonable costs.

Both BVLGARI and Taskin Investment Company brought the case to Guangdong High People's Court. BVLGARI requested to change the original judgment on the amount of compensation to 20.4 million yuan.

Guangdong High held that the trademark 宝格丽 and other relevant trademarks certified to be used on Class 14 goods had been wellknown after an extended period of use. The same or the similar trademarks the three defendants had used would confuse the relevant public, infringing BVLGARI's trademark right and constituting unfair competition. Therefore, the court rendered its final judgment, ordering the three defendants to cease infringement, publish a statement to apologize and indemnify BVLGARI and Bulgari Shanghai Company 3.1 million yuan in damages and reasonable costs.

<http://english.cnipa.gov.cn/docs/2020-03/20200318080311063124.pdf>

### **P&G Triumphs over Local Trademark Freeriders**

As one of the top multinational consumer goods companies in the world, Procter & Gamble has registered a plethora of trademarks in China including 帮宝适, 帮宝适 and Pampers. Recently, Fujian High People's Court rendered its second- instance decision on a trademark infringement case and unfair competition case between P&G and Quanzhou Yiya Trading Company and

Quanzhou Sunflower Healthcare Company, ruling that the two defendants' action of producing and distributing of baby diapers with Pampermes logo has infringed the exclusive trademark right of P&G. In addition, by labeling the trade name of 香港幫寶適（國際）護理用品有限公司 (HK Pampers International Nursing Appliance Company) on the infringement products, the defendants are found foul play in unfair competition. The defendants should immediately cease trademark infringement and indemnify P&G 400,000 yuan in damages. The decision rebuffed the appeal from Quanzhou Yiya Trading Company and echoed the one made by the trial court, Quanzhou Intermediate People's Court.

The third party of the case, HK Pampers International Nursing Appliance Company, was registered by Sunflower Company in Hong Kong, and authorized Sunflower to label 香港幫寶適（國際）護理用品有限公司 and Pamperosoft on the package of baby diapers. On April 2, 2017, Sunflower was authorized by Fujian Lanqingting Care Products Company, the party not involved in the case, to use Pamperostar in production and distribution of baby diapers. Then, an online flagship store named Pamperostar was initiated by Yiya Company.

On June 2, 2017, the former Fujian Quanzhou Administration for Industry and Commerce Luojiang Branch made a decision of administrative punishment that P&G's package of the well-known products baby diapers named 帮宝适 was unique. The act of Sunflower constituted unfair competition. On February 9, 2018, Quanzhou Economic and Technological Development Zone Branch made a decision of administrative punishment that Yiya's act of selling baby diapers signed with Pamperostar constituted unfair competition, confiscating the company's unlawful income and imposing a fine.

After gathering evidence, P&G sued Yiya and Sunflower at Quanzhou Intermediate Court.

Quanzhou Intermediate Court held that defendants used Pampersoft, Pamperostar and Pampermes symbols in prominent positions on infringing products, which constituted similarity with P&G's registered trademark, Pampers and its figure and characteristics. Considering that trademark rights of P&G have enjoyed high reputation among the public, it may cause confusion among consumers. The court judged Yiya and Sunflower co- infringers based on the relevant evidence and ordered Yiya to indemnify P&G 400,000 yuan in damages.

Then Yiya brought the case to Fujian High, claiming that the court should not impose the civil sanction when the company has been punished administratively. And its products were legally obtained through authorization from either Sunflower or HK Pampers, which ruled out any violation of other's rights.

Fujian High held that the defendants' action of using Pamperssoft, Pamperostar and Pampermes symbols in prominent positions on infringement products infringed exclusive right of P&G. In addition, unfair competition was also established when they used the package similar with P&G and labeled characteristics of 香港幫寶適（國際）護理用品有限公司 on a prominent position on the package. Yiya cannot be exempted from civil liability on IP infringement. It was impossible that Yiya, a retailer of diapers products, did not know the relevant famous trademarks of P&G. In this connection, Fujian High dismissed every claim of Yiya

<http://english.cnipa.gov.cn/docs/2020-03/20200311081314291144.pdf>