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AFD China Was Once Again Honored as An AAAAA-Level (Top Tier) Patent Agency

Last month, the Beijing Patent Attorneys Association announced the rating results of the year 2020 for patent agencies in Beijing. AFD China was once again rated as an AAAAA-level patent agency. AFD China has been rated this top level since 2017 and has been continuously optimizing workflow, improving work efficiency, and making efforts to create a paperless office.

<http://afdip.com/index.php?ac=article&at=read&did=3>
[884](#)

New Patent Law and Copyright Law Took Effects

The revised patent law taking effect on June 1, 2021 aims to solve these nagging problems once for all, being of great significance in protecting legitimate interests of right holders, boosting innovators' confidence in patent protection and fully inspiring innovation in society.

For details of the revision, please see <http://afdip.com/index.php?ac=article&at=read&did=3>
[712](#)

On June 1, 2021, the revised copyright law went into force. When the amendment was launched for the third time in 2011, the target was clarified to make a new law aligned with the digital economy and the reality and with an eye on the world and the future. The ten-year revision journey fully demonstrates the open and scientific legislative spirits, meets the needs of the digital age and appropriately

connects with the civil code and the international copyright treaties.

For details of the revision, please see <http://afdip.com/index.php?ac=article&at=read&did=3>
[775](#)

China Releases 2020 Report on Digital Copyright Protection

According to the annual report of the National Copyright Administration of China (NCAC), the NCAC registered a total of 5,039,543 works whose authors filed claims to copyright in 2020, an increase of 20.37% from the previous year. The “Sword Net Action”, an annual campaign aimed at cracking down on online piracy and copyright infringement, was carried out last June, when 3,239,400 links to pirated content were removed and 2,884 infringing websites and apps were shut down.

In the report, copyright registration, the certifying of model cities and companies of copyright protection, and the convergence of the country's three big networks (the Internet, telecoms networks, and TV broadcasting networks) are listed as three major constituents of the infrastructure of digital copyright protection. Blockchain and DRM (digital rights management) are indicated to have become part of the toolkit for copyright owners and copyright law enforcement entities. Having been widely adopted in the country's court system, blockchain has ensured the security and legality of the generation, collection, storage, and transmission of digital evidence. Among the blockchain-based pilot programs nationwide, the “Tianping Blockchain” program initiated by

the Beijing Internet Court has become an exemplary instance.

A digital network of copyrighted works is being built for their better utilization. China Written Works Copyright Society (CWWCS) has signed 279 agreements with more than 100 publishing houses and cultural companies to deal with the licensing of copyrighted works for compilation in 350 categories of books and the payment of their authors' remuneration in a one-stop manner. The licensing of the right of communication through information network and the right of compilation of these copyrighted works have generated 75.4% of the revenue of these authors. The Music Copyright Society of China (MCSC) has received 408 million yuan as licensing fees, about half of which has been generated from the licensing of the right of communication through information network. There are 185 copyright infringement cases filed in 2020, of which 25 cases are about the infringement of the right of communication through information network.

<http://english.ipraction.gov.cn/article/ns/202106/346653.html>

Hong Kong Approves First Standard Patent by Original Grant

Hong Kong has approved its first-ever standard patent under a new system aimed at encouraging original patents as the global financial hub also aims high in innovation and technology.

The invention, involving the use of artificial intelligence to manage inventory in an e-commerce system, was granted earlier this week under the original grant patent (OGP) system, according to the Intellectual Property Department of China's Hong Kong Special Administrative Region government.

Launched in December 2019, the OGP system creates a direct route for innovators to seek standard patent protection in Hong Kong with a maximum term of 20 years.

Under the old but still existing "re-registration" route, patents must first be approved by three designated patent management authorities outside of Hong Kong. Otherwise, inventions can only have short-term protection for at most eight years.

By the end of May, the government has received a total of 426 OGP applications, of which 33 percent were submitted by Hong Kong residents or enterprises and 67 percent from non-local applicants.

<http://english.ipraction.gov.cn/article/ns/202106/346135.html>

Patent Agent Qualification Examination Opens to Foreigners

The CNIPA released a notice on June 9, 2021 allowing foreigners to take the Chinese Patent Agent Qualification Examination.

To participate, a foreigner must

- have full capacity of civil conducts,
- have the status of permanent resident*,
- have patent attorney/agent qualification from another country or region*,
- can read and write in Chinese, and
- work or study in Beijing Zhongguancun Science Park, Suzhou National Hi-Tech District, Jiangning Nanjing or Guangzhou Development District.

When signing up for the exam, the foreigner will be asked to upload the scanned copy of the documents proving the asterisked items.

Registration for the exam will open on June 28 and the exam will take place on November 6&7, 2021.

http://www.cnipa.gov.cn/art/2021/6/11/art_2073_160175.html

SUPPLEMENTARY ISSUE

New Chinese Patent Law Protects Partial Designs

The newly revised design patent regulations came into effect on June 1, 2021, introducing two important changes for the design applications filed on/after today, the partial design becoming patentable and design patent term extended to 15 years.

Partial design

IP owners can file design patent applications for partial designs now. But it is unclear how partial design applications are to be examined since the detailed implementing rules and examination guidelines have not been released yet.

Under such circumstance we provide the following suggestions to assist you in filing partial designs before any specific guidelines become available:

- If your prior design application filed is a partial design, you can file the Chinese partial design application straight with the same views first, and then make further amendments to the views when any issue is raised by the Chinese examiners.
- If your prior design application filed is a whole design shown by solid line drawings, but you only want to protect part of the whole design in China, you can use solid lines to illustrate the claimed part and broken lines to illustrate the disclaimed part in the views at filing and then make further amendments when any issue is raised by the Chinese examiners.
- If your prior design application filed is a whole design shown by photographs or rendering drawings, but you only want to protect part of the whole design in China, you can circle the claimed part or, redact the disclaimed part with the translucent coverage in a different color, and/or indicate which part is claimed in the brief description as filed.

In practice, the cases may be more complex than the above. We will provide specific suggestions or comments where necessary to assist you in obtaining better protection for your designs in China.

15-Year Patent Term

For design patent applications filed on or after 1 June 2021, the patent term will be 15 years from the filing date.

If you have a pending design patent application which was **first** filed in China before June 1, 2021 and the six-month priority term is still available, you may consider the following strategy to extend the patent term of such design patent application from 10 years to 15 years:

You can refile a new Chinese design application claiming priority to the prior design application. Then, the prior design application will be deemed as withdrawn from the filing date of the new Chinese design application, but the new Chinese design application will be able to obtain a 15-year patent term starting from its filing date.

We hope the above information is helpful for you. We will let you know and provide you with more specific and detailed recommendations and strategies on the partial design protection in China once the new implementing rules are released.

TM Registration of Procter & Gamble Rejected for Deceptive Meaning

In 2014, Whisper, a feminine care brand owned by the US-based Procter & Gamble, released a sanitary pad product made of new liquid materials. In 2018, No.34075766 "液体卫生巾" trademark (trademark in question) was filed for registration by Procter & Gamble in China, but its registration on sanitary pad and health pad products was rejected successively.

Recently, Beijing High People's Court in its final judgment denied Procter & Gamble's appeal and held that the trademark in question used on the designated goods would mislead consumers in the raw materials, ingredients and quality, making it deceptive and should not be registered.

Procter & Gamble submitted an application for registration of the trademark in question to the former Trademark Office (TMO) of the State Administration for Industry and Commerce, requesting certified to be used on Class 5 goods such as sanitary pads, health pads, period-proof undergarments and tampons.

The TMO held that the trademark in question consists of the Chinese word "液体" which means liquid, and will lead consumers to take it as a description of raw materials, ingredients and quality while used on the designated goods. Therefore, the TMO refused the registration.

The disgruntled Procter & Gamble then pled the China National Intellectual Property Administration (CNIPA) for review, but would only suffer another setback. The company then brought the case to Beijing IP Court.

After hearing, Beijing IP Court in its first-instance judgment dismissed Procter & Gamble's claim. Unwilling to just move on, Procter & Gamble then appealed to Beijing High People's Court and submitted the application for narrowing the range of the goods, specifying that the goods the trademark in question was designated to be used on will be limited to sanitary pad and health pad products made of liquid materials and giving up its registration on other goods. In addition, Procter & Gamble and its subsidiaries promised to only use the trademark in question on sanitary pad products made of new liquid materials.

Beijing High held that the trademark in question "液体卫生巾" may lead consumers to take it as a description of new materials, ingredients and quality while designated to be used on sanitary pad and health pad products made of liquid materials and has deceptive meaning, violating Item 7, Paragraph 1 of Article 10 of the Chinese Trademark Law. In this connection, the Court rejected Procter & Gamble's appeal and upheld the first-instance judgment.

<http://english.ipraction.gov.cn/article/tc/202105/345325.html>

Third Party Observations – Early Prevention of Patent Infringement Risk

For an innovative enterprise, continuously launching new products is an important way to get a return on their prior investment in research and development. To continuously develop and market new products and get profits therefrom, and also to reduce research and development costs while avoiding patent infringement risk, an enterprise should pay close attention to its competitors, the leading players and the intellectual property development trend in the relevant industries or at least in the related technical field, and then take corresponding intellectual property protection measures if necessary.

Third party observation is a precautionary measure which enterprises may take to reduce or avoid patent infringement risk. Any enterprise, if finding that a **pending** invention patent application may hinder their products from entering into market, may submit third party observations with the China Intellectual Property Administration (CNIPA) and point out the issues of the patent application which are not in conformity with the provisions of Chinese Patent Law during the prosecution of the patent application so as to prevent it from being granted and becoming an enforceable right.

Legal Basis:

Rule 48 of the Implementing Regulations of the Patent Law of the People's Republic of China: **Any person** may, from the date of **publication** of an application for a patent for **invention** till the date of announcing the grant of the patent right, submit to the patent administration department under the State Council his observations, with reasons therefor, on the application which is not in conformity with the provisions of the Patent Law.

Early opportunity for preventing infringement risk

During the prosecution of a patent application, i.e. before the patent application is granted, a third party may submit reasons for non-patentability of the patent application and corresponding evidence with the CNIPA.

After submitting a third party observation, the third party may follow up on the progress of the patent application to monitor any adjustment made by the applicant to the protection scope of the patent application as well as the applicant's explanation about or amendments to the technical schemes made in the response to Office Actions. In this way, the third party may, to a certain extent, predict whether their products have a potential risk of infringement and how to reduce the risk, and also may obtain some guidance for adjusting their products or even the direction of future research and development.

Simple requirements on documents:

When submitting a third party observation, reasons and evidence regarding why the patent application is not in conformity with the provisions of Chinese Patent Law are needed. The evidence is not necessarily in Chinese language but a Chinese translation may help the examiner better understand the content. Notarization or legalization of the evidence is not required. Identity certificate of the third party is not required and anonymity can be created by using a straw man.

In contrast, there is a higher requirement on documents for the invalidation procedure if an enterprise is going to act against a granted patent. For example, the Certificate of Incorporation of the enterprise is needed; a Chinese translation is required if the evidence is in foreign language, and the evidence, if it is not patent documents, usually needs to be notarized, certified, or meets other legal requirements on formality.

Cost saving:

Filing third party observations will not incur official fees. Other fees, such as those for translation, notarization, or certification, may be avoided as well.

Flexible opportunity for filing:

In practice, third party observations may be filed at any time after a patent application is published but before the notice of allowance is issued to the patent application.

After filing a third party observation, if the third party finds new evidence, they may file a new observation, with no limitation on the number of times of filing. However, it should be noted that if a third party observation is filed after the notice of allowance is issued, the third party observation is likely not to be considered at all.

Handling at the CNIPA:

The CNIPA will put third party observations into the file of patent applications for Examiners' consideration in substantive examination. The CNIPA will not inform the third parties whether they have considered or what opinions they may hold on the third party observations. As seen from some of our cases, if the Examiner accepts a third party observation and the corresponding evidence, he/she will cite such evidence in the next or further Office Action.

Accordingly, a third party may, after filing a third party observation against a patent application, monitor the progress of the patent application on a monthly basis until the prosecution of the patent application ends.

<http://www.afdip.com/index.php?ac=article&at=read&did=3887>