



“ We believe tomorrow is today's emerging business – rising up from untapped potential within established industries and disruptive start-ups alike. So for you who are redefining industries, we're redefining intellectual property (IP).”

**AWA – Creating intellectual prosperity.**



AWA Asia stands for a strong value proposition that consists of an East-meets-West approach with a bilingual and bicultural team of IP professionals (trademark lawyers, patent attorneys and IP Strategists). Our international-level service delivery comes with deep local knowledge, is business minded, pragmatic and tailored. We are an industry recognized and award-winning firm known for our innovative practices and leading individuals.

## What We Offer

- Strategic IP portfolio management through the entire corporate cycle and development
- Protection and enforcement of brands, patents, designs, copyrights, trade secrets and domain names
- Strategically assist in managing our clients' intellectual assets (ensuring that value is maintained and maximized, securing and sustaining a competitive advantage)
- Local knowledge with an international quality and perspective

## On the Ground Experience

- Head office in Hong Kong, a location known for its successful business environment, world-class infrastructure and effective legal system
- Beijing office is also a licensed trademark agency, allowing us to file and enforce trademarks directly before the China Trademark Office and the administrative authorities, without the need to use agents

## Our People

- Asia team comprises highly qualified regional and international patent attorneys and lawyers, with extensive experience in delivering intellectual property services to corporations of all profiles
- Legal backgrounds and qualifications from China, the UK, Hong Kong and Singapore
- PRC-qualified trademark attorneys have the technical knowledge and experience to support and manage our client's IP needs through China's multifaceted legal environment

## Work With Us

- The breadth of our coverage combined with our local business knowledge that spans two continents provides a seamless IP protection, enforcement and intellectual asset management capability for our clients

# China Trademarks in a Nutshell

1

**First-to-file regime** (important to register early to save enforcement problems later).

2

**China is a member of the Paris Convention**, hence a priority date of up to 6 months can be relied upon based on a senior convention country filing.

3

**China is a member of the Madrid Protocol** system of international trademarks. If you choose to use the international system with an extension to China, to enforce the relevant trademark rights in China, the courts and administrative authorities would require the trademark owner to produce a registration certificate issued by the Chinese Trade Mark Office (CTMO) in Chinese, and it is good practice to apply for the same as soon as possible as it takes 3 or more months to be issued.

4

**Registering a Chinese language mark is important.** Chinese consumers almost exclusively know foreign brands by their Chinese language versions. Therefore to protect your rights you should register a Chinese version of your trademark, or risk third parties coining a nickname and/ or registering the same.

5

**Non-traditional trademarks** such as three dimensional marks, colour combination marks and sound marks are allowed if they pass distinctiveness tests.

6

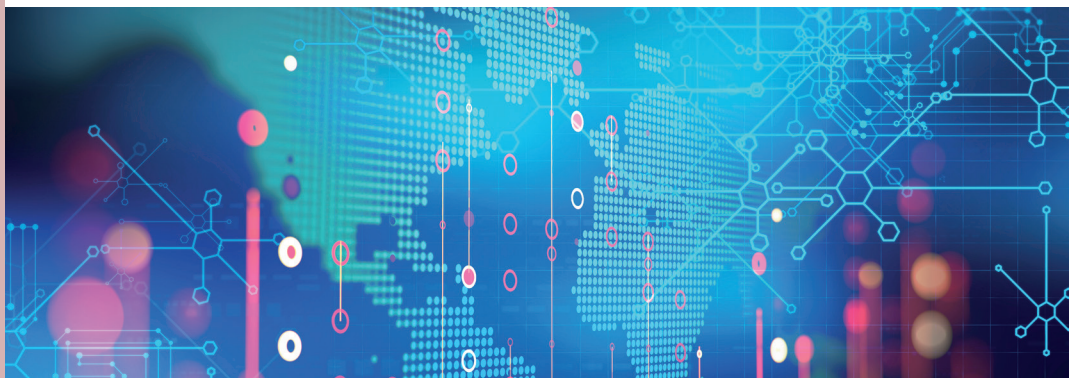
**There is a classification and sub-classification system** that is peculiar to China. Generally goods or services that are listed in the same sub-class are deemed to be similar. Under the new Trademark Law and examination practice, the applicant has only one opportunity to amend the specifications, and the applicant is not allowed to add any items that are unrelated to the objected goods. If the examiner does not consider the applicant's amendments to be acceptable, the entire application will be rejected.

7

**Evidence of use filed to show acquired distinctiveness** before a Review of Refusal of an application is substantively examined (even if filed late and after the deadline to submit supplementary evidence), would be considered as relevant evidence to prove distinctiveness acquired through use.

8

**Registrations** are valid for 10 years from the date of approval of the registration.



## Talk to Us



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**Renewals** can be filed within 12 months prior to the expiry date and can be filed up to 6 months after the expiry date with the payment of a late fee.

10

**Oppositions** can be filed within 3 months from publication by the CTMO, and if relative grounds in support of the opposition are raised, the opponent needs to be able to assert prior rights, ie be an interested party. Opponents who receive unfavourable decisions do not have a right to appeal (the only recourse is cancellation or invalidation after the mark is registered), whereas applicants who receive unfavourable decisions in the same proceedings may appeal to the Trademark Review and Adjudication Board (TRAB).

11

**Non-use cancellations** can be filed against a registered mark on the basis of a period of 3 consecutive years' non-use by the registrant.

12

**Invalidations** can be filed by anyone at any time based on absolute grounds. If relative grounds are relied upon, the invalidation needs to be filed within 5 years from the date of registration, but there is no deadline if the invalidation is filed based on the applicant's bad faith in copying the brand owner's well-known trademarks.

13

**OEM manufacturing (outsourcing) activities** in China is a legal minefield. While the issue has seen quite a few well reasoned Supreme Court decisions in recent years, not all related issues have been addressed. The Courts continue to decide OEM trademark infringement cases on a case-by-case basis, depending on the factual circumstances of each case. If you are using China solely as a

manufacturing location, it would still be wise to secure trademark protection, to avoid having to spend time and resources to come within the "OEM exception" of non-infringing use in case a pre-emptive registrant of your mark in China seeks to prevent the exportation of your products on the basis of its trademark rights being infringed.

14

**Customs Recordals of IP rights** including trademark rights is often used as an important component of an effective enforcement program.

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**The Well-Known trademark status** is coveted by all brand owners, but extremely difficult to secure, with very high thresholds of use and requirements on reputation built up within China. Trademark owners are advised not to rely on this too much in their China trademark portfolio enforcement program although it should be part of any major brand owner's portfolio management strategy. Recognition cannot be applied for on a stand-alone basis and must be asserted in proceedings such as before the CTMO, TRAB, and the Courts.

# Industry Recognitions



## World Trademark Review – WTR1000 2018

- Listed as a recommended firm for China foreign firms
- Ai-Leen Lim received the highest, gold banding individual ranking

*"Having established its Asia-Pacific presence, ambitious outfit AWA Asia shows no signs of slowing down. It assuredly guides dispute resolution and transactional negotiations as companies seek to navigate the intricacies of entering and doing business in the Chinese market."*

*"North American, European and Australasian companies clamour for 'stellar lawyer', CEO and principal counsel Ai-Leen Lim, who garners some of the best feedback among those featured in the WTR 1000 China chapter."*



## Managing IP – IP Stars 2018

- AWA Asia ranked for trademarks in the China foreign firm category
- Ai-Leen Lim ranked as trademark star for China

*"AWA Asia's cost-effective and service-minded trademarks team attracts praise from market commentators."*

*"Ai-Leen Lim is a very experienced, strategic, and effective advocate. She is extremely responsive and knowledgeable."*

## Chambers Asia-Pacific 2018

- Ranked in the China international firms category
- Ai-Leen Lim ranked as a leading lawyer

*"Beijing-based Lim Ai-Leen of AWA Asia Limited is highlighted by one peer as 'a very capable branding lawyer,' while a client says she is 'extremely responsive and knowledgeable.' She focuses on portfolio management, including trade mark and patent registration and enforcement, and is well versed at advising on IP issues in the context of social media."*

## Legal 500 Asia-Pacific 2018

- Listed in the intellectual property foreign firms category
- Ai-Leen Lim is recommended

*"Ai-Leen Lim acts for an impressive client roster spanning the life sciences, media and fashion sectors."*



## World Intellectual Property Review –WIPR Leader 2018 Trademarks

- Ai-Leen Lim recognized for being an expert in her field



## Who's Who Legal – Leading Trademark Individual 2018

- Ai-Leen listed as a leading trademark individual by Who's Who Legal



## Expert Guides 2018 – Leading Trademark Expert

- Ai-Leen Lim listed as a leading trademark expert by Expert Guides



## Asian Legal Business IP Rankings 2018

- AWA Asia ranked as a Tier 1 firm for China International Copyright/ Trademark
- AWA Asia ranked as a Tier 1 firm for Hong Kong Copyright/Trademark



## Asian Legal Business Innovation List 2017

- AWA Asia included in the Innovation List for its innovative practices



## Managing IP – Top 250 Women in IP 2018

- Ai-Leen Lim listed



# China Patents in a Nutshell

- 1** Chinese Patent Law offers **3 main types of protection**, although the subject matter and terms of maximum protection varies: invention patents (20 years), utility model patents (10 years) and design patents (10 years).
- 2** China is a member of both the **Paris Convention** and the **Patent Cooperation Treaty (PCT)**. Patentees can choose either a national application approach (with or without a priority date claim) or via the PCT. For innovations and designs, what aspects to protect, the type of patent protection to adopt and how to file (via PCT or not) are strategically significant factors. Also, the protection strategy depends on the intended geographical coverage, budget, R&D and product development plan as well as the anticipated period of commercial use.
- 3** **Unpatentable subject matter** include: scientific discoveries, rules and methods of mental activities, methods of diagnosis or treatment of diseases, animal and plant varieties, and substances obtained by means of nuclear transformation. Recent developments suggest a relaxation on the patentability of **computer software** and **business method-related inventions**. Graphical User Interface (GUI) for computer, mobile phone and Apps can be protected by design patent.
- 4** For any **invention or utility model made in China**, a **confidentiality examination** must be passed at the State Intellectual Property Office (SIPO) before being filed in an overseas jurisdiction. Failure to comply with the requirement may constitute a ground for invalidation of the patent, if granted.
- 5** An application's **time frame from filing to grant** varies depending on the type of patent. An invention patent is typically granted within 3-5 years from the filing, while utility models and designs are usually granted within 1 year since no substantive examination is required.
- 6** **Divisional applications may be filed voluntarily** or in response to the examiner's request. However, the voluntary filing of a divisional application is limited by the termination (either granted or rejected) of the first parent application. A **division from a division** may be filed only if the examiner raises a unity objection to the already filed divisional application.
- 7** **Enforcement of patent rights in China** can generally be done only after the grant has been issued. However, for invention patents, **provisional protection** is allowed for patentees to claim compensation for unauthorized use from the publication date of the patent to the grant date.
- 8** Patent rights in China can be **enforced through judicial action or administrative means**, each having its pros and cons. The judicial route is most effective, but can be costly and time-consuming, and more suitable for cases involving complex technology and large amount of damages. The administrative route is a quicker and cheaper alternative to the judicial route, and more suited to dealing with simpler cases where the patentees' primary goal is to obtain an injunctive order only.
- 9** China has a **bifurcated system for infringements and validity of patents**. Courts dealing with infringement cases do not decide on the validity of the patent in question. Any challenge to validity of the patent should be filed with the Patent Re-Examination Board (PRB) of SIPO. The court hearing the infringement case has discretion to decide whether to stay the infringement case when the invalidation action is pending.
- 10** **Forum shopping matters when it comes to enforcement of patent rights through the judicial route**. There are dozens of courts that are designated as trial courts for patent cases throughout China. The last quarter of 2014 saw launches of three **specialized IP courts in Beijing, Shanghai and Guangzhou**, which have since become popular venues for patent disputes due to their jurisdictional coverage of the most developed areas

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of China and their well-trained judges. The Beijing IP Court has a special jurisdiction over the administrative decisions of SIPO, including those on validity of patents. Stemming from the three specialized IP Courts, 15 IP Tribunals have been established within respective intermediate courts in various cities. The IP Tribunals have cross-regional and exclusive jurisdiction over IP matters in first-instance cases and their jurisdiction extends beyond the city's Intermediate Court where they are located.

11

**Acts of infringement** include, without authorization of the patentee, making, using, offering to sell, selling, or importing a patented product; or using a patented process, or using, offering to sell, selling or importing a product directly obtained from the process. For design patents, making, offering to sell, selling, or importing a patented product without authorization of the patentee can constitute infringement.

12

Regarding evidence collection, **discovery is not available in China**. The burden of proof is usually on the plaintiff to prove infringement and damages. Nonetheless, a plaintiff may seek recourse before the courts for a preservation of evidence order before filing a complaint if the evidence is difficult to obtain or may be lost. Recent developments have shown that the courts have been given more power to order the defendant to produce bookkeeping or accounting records, and decide damages in the plaintiff's favour should the defendant fail to comply.

13

**Almost all principles of claim construction that other major jurisdictions recognize**, such as the *doctrine of equivalents* and *file wrapper estoppels*, **are available in China**, or at least may be considered by courts if the judges are sufficiently trained. The **doctrine of indirect infringement** has been officially introduced by a judicial interpretation of Supreme People's Court (SPC) and is defined as including contributory infringement and inducing infringement.

14

**Preliminary injunctions are available** and may be applied for by the plaintiff before filing the complaint where the infringing act is imminent and will cause irreparable harm to the patentee if the infringement act is not enjoined, subject to an adequate bond being posted.

**Permanent injunctions** are normally issued automatically if the plaintiff wins, except for rare cases where public interest is involved.

15

**Damages are generally compensatory in nature** and calculated on the basis of (i) actual loss of the plaintiff, (ii) the illegal gain by the defendant from the infringing act, or (iii) a multiple of a reasonable royalty amount. Recent cases show a trend towards an increased amount of substantive damages awarded by courts, instead of only token, nominal damages that we saw more of previously. Currently, **statutory damages** which are awarded when the aforesaid three methods of calculation cannot be applied, range from 10,000 to 1 million RMB, and may be increased up to 5 million RMB, as proposed in the forthcoming amendments of the Patent Law.

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In addition to the 3 IP Courts in Beijing, Shanghai and Guangzhou, China has established 15 IP Tribunals in areas with advanced economic activity. Having a similar function to the three IP Courts, these IP Tribunals operate within the intermediate courts in various cities, and have cross-regional jurisdiction over

intellectual property cases within the respective province where they are located. Most significantly, these IP Tribunals have replaced and effectively stripped many courts of their jurisdiction over IP matters and to a large extent reducing the number of courts with jurisdiction over patent disputes. This centralized approach changes the venue selection strategy for both multinational and Chinese companies when deciding where to initiate patent disputes.

**Important Disclaimer:** The above has been prepared for general information purposes only. It does not constitute legal advice, and is not to be acted on as such. Should you require assistance on any case-specific advice, please contact us at [cn.patents@awapatient.com](mailto:cn.patents@awapatient.com).

## Industry Recognitions



### IAM Patent 1000 2018

- Xiaofan Chen recommended for patent transactions in China
- AWA highly recommended in Sweden



### Intellectual Asset Magazine - IAM Strategy 300

- Henrik Olsson and Thomas Ewing from AWA Strategy are both listed in the IAM Strategy 300 – The World's Leading IP Strategists



### Managing IP Global Awards 2018

- AWA won Sweden Prosecution firm of the year



### Managing IP – IP Stars 2018

- AWA Asia ranked for trademarks in the China foreign firm category
- AWA ranked as a Tier 1 firm for patent prosecution in Sweden and Tier 2 in Denmark



### Top 250 Women in IP 2018

- Ai-Leen Lim listed

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- Ai-Leen Lim ranked as a leading lawyer

### Legal 500 Asia-Pacific 2018

- AWA Asia listed in the intellectual property foreign firms category
- AWA listed in the intellectual property category for both Sweden and Denmark
- Ai-Leen Lim is recommended



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