



Recent updates on Intellectual Property related to smart manufacturing

Li Zhanke Partner 04/2020

中国首家律师事务所
The First Chinese Law Firm

www.glo.com.cn

目录

CONTENTS

01 Patent Protection

02 Competition Protection

03 Trademark Protection

04 About me

01

Patent Protection

中国首家律师事务所
The First Chinese Law Firm
www.glo.com.cn

The First Chinese Law Firm
www.glo.com.cn

Patent Protection

- Longer patent term

Patent Law of PRC (10/1/2009)

Article 42

The duration of a patent right for inventions shall be twenty years and the duration of a patent right for utility models and designs shall be ten years, both commencing from the filing date.

Patent Law of PRC (Draft Published in 2019)

Article 46

The duration of a patent right for inventions shall be twenty years and the duration of a patent right for utility models shall be ten years and designs shall be fifteen years, all commencing from the filing date.

(Addition) In order to compensate for the time taken for marketing approval process of new pharmaceutical products, the State Council may decide to extend the duration of the patent right for a new pharmaceutical product invention patent that is simultaneously applied for marketing in China and abroad for a period not exceeding five years, the term of the total effective patent right of a new pharmaceutical product invention shall not exceed 14 years from the date of marketing approval.

Patent Protection

Higher compensation

Patent Law of PRC (10/1/2009)

Article 65

.....

If the losses of the patentee, gains of the infringer, or royalties of the patent cannot be easily determined, the people's court may, on the basis of the factors such as the type of patent right, nature of the infringement, and severity of the case, determine the amount of compensation within the range **from RMB 10,000 to RMB 1 million.**

Patent Law of PRC (Draft Published in 2019)

Article 72

(Addition) In the case of an **intentional infringement of patent rights**, the amount of compensation may be determined within the range of **not less than the amount but not more than five times the amount** determined according to the above method if the infringes upon patent right involving serious circumstances.

If the losses of the patentee, gains of the infringer, or royalties of the patent cannot be easily determined, the people's court may, on the basis of the factors such as the type of patent right, nature of the infringement, and severity of the case, determine the amount of compensation within the range **from RMB 100,000 to RMB 5 million.**

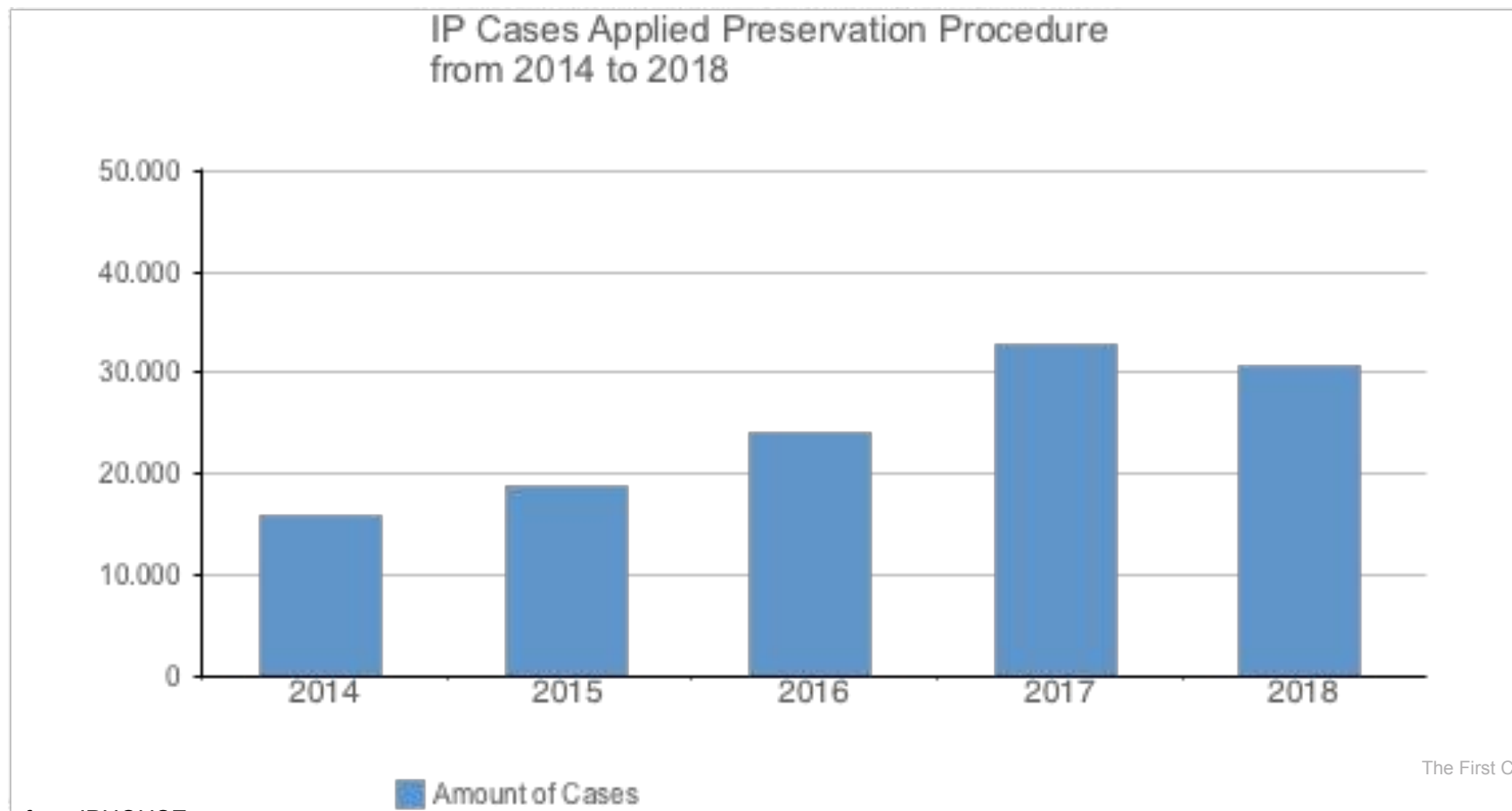
(Addition) Where the people's court has ascertained the infringement upon patent right and for the purpose of ascertaining the amount of compensation, it may order the infringer to provide the account books and materials relating to the infringement if the patentee has tried its best to prove, but the aforesaid account books and materials are mainly under the control of the infringer. **Where the infringer fails to provide such account books and materials or provides false account books and materials, the people's court may judge the amount of compensation by referring to the claims of the patentee and the proofs provided.**

⑧ Patent Protection

- Higher compensation

Patent Protection

- Preservation procedure

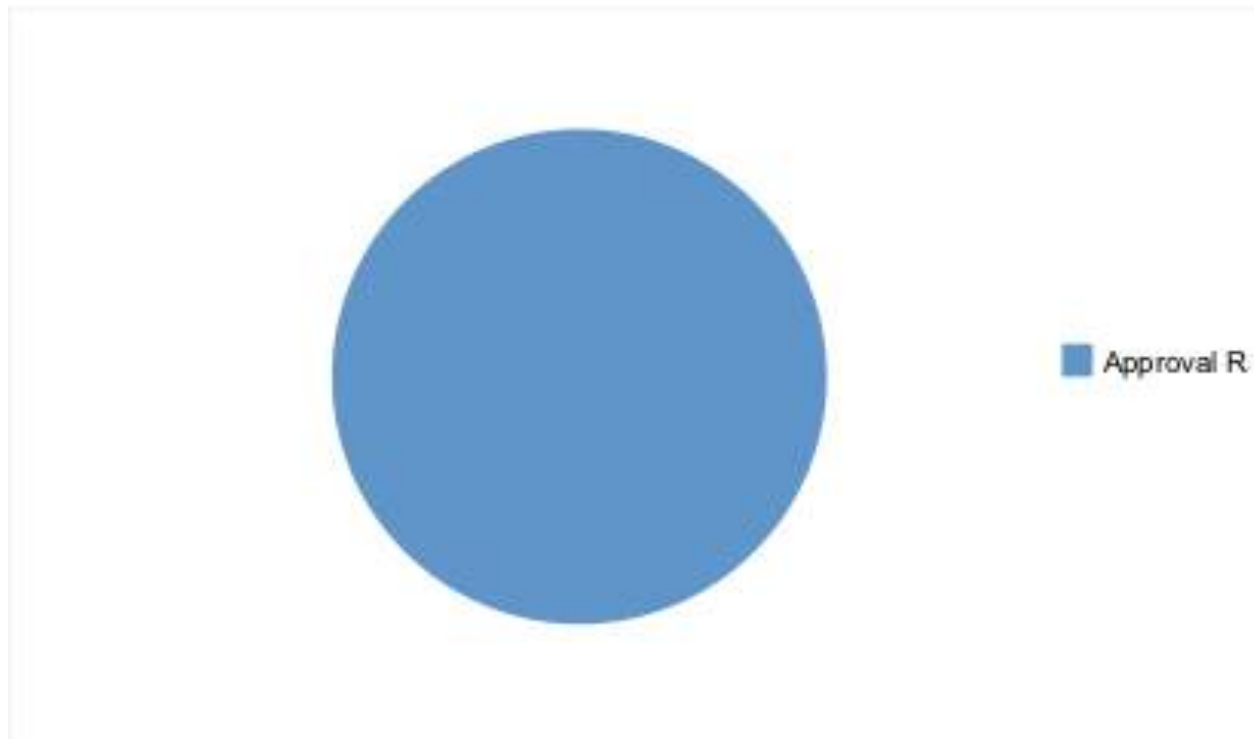


Source from IPHOUSE

Patent Protection

- Preservation procedure

Courts' Attitude towards Preservation



Patent Protection

- Preservation procedure

Civil Procedure law of PRC (7/1/2019)

Article 81

Where it is likely that evidence may be destroyed, lost or become difficult to obtain later on, a party may apply to the people's court in the course of the lawsuit for the preservation of the evidence. The people's court may also take initiative to preserve such evidence.

In the case of an emergency event where it is likely that an evidence may be destroyed, lost or become difficult to obtain later on, an interested party may, **prior to instituting a lawsuit or applying for arbitration**, apply to the people's court of the place where the evidence is located or of the domicile of the party against which the application is made, or the people's court with jurisdiction over the case, to preserve the evidence.

Several Provisions of the Supreme People's Court on Evidence in Civil Proceedings

Article 75

Where evidence exists demonstrating that one party is in possession of evidence but refuses to provide it without good cause and the other party claims that such evidence is unfavorable to the party in possession of the evidence, an inference that the other party's claim is valid may be drawn.

Tsinghua University, Nuctech V. Xuchang Ruishi Electronic Tech

The first instance court held that with prior acknowledgment of its legal obligation to properly maintain the sealed product and the legal consequences of demolishing or destroying the same, the defendant illegally demolished the alleged infringing product and then claimed that the alleged infringing product was different from the patent involved in the removed part. The behavior of the defendant had constituted withholding evidence without proper reason, and should bear the adverse consequences.

Therefore, the court determined that the alleged infringing product fell into the protection scope of the patent claim 1.

The Supreme Court IP Tribunal upheld the above in the second instance judgement.

02

Competition Protection

中国首家律师事务所
The First Chinese Law Firm
www.glo.com.cn

The First Chinese Law Firm
www.glo.com.cn

Competition Protection

Higher compensation

Anti-Unfair Competition Law of PRC (2017)

Article 17

...
The amount of compensation for damage caused by any unfair competition act to a business operator shall be determined depending on the actual losses suffered by such operator as a result of the infringement; where it is truly difficult to work out the actual losses, such amount shall be determined in accordance with the benefits obtained by the infringer from the infringement. The amount of compensation shall also include the reasonable expenses paid by the damaged business operator to stop the infringement.

Where a business operator violates the provisions stipulated in Article 6 or Article 9 herein, and it is truly difficult to determine the actual losses suffered by the obligee as a result of the infringement or the benefits obtained by the infringer from the infringement, the people's court shall award the obligee less than **CNY3 million** in damages, depending on the seriousness of the infringement.

Anti-Unfair Competition Law of PRC (2019)

Article 17

...
The amount of compensation for damage caused by any unfair competition act to a business operator shall be determined depending on the actual losses suffered by such operator as a result of the infringement; where it is truly difficult to work out the actual losses, such amount shall be determined in accordance with the benefits obtained by the infringer from the infringement.

Where a business operator is maliciously engaged in the infringement of trade secrets, if the circumstance is serious, the amount of compensation may be determined between one time to five times the amount determined according to the above method.

The amount of compensation shall also include the reasonable expenses paid by the damaged business operator to stop the infringement.

Where a business operator violates the provisions stipulated in Article 6 or Article 9 herein, and it is truly difficult to determine the actual losses suffered by the obligee as a result of the infringement or the benefits obtained by the infringer from the infringement, the people's court shall award the obligee less than **CNY5 million** in damages, depending on the seriousness of the infringement.

⑧ Competition Protection

- Trade secrets

⑧ Competition Protection

- Other legitimate rights and interests
- name, packaging or decoration commodity, which has influence to a certain extent
- business's corporate name (including its shortened name, trade name, etc.), the name of a social group (including its shortened name, etc.), or the name of an individual (including his or her pen name, stage name, translated name, etc.), which has influence to a certain extent
- domain name, website name or webpage, which has influence to a certain extent

⑧ Competition Protection

- Other legitimate rights and interests
 - Guiding Case No.47 *Italy FERRERO S.p.A v. Montresor (Zhangjiagang) Food Co., Ltd. and Tianjin Economic-Technological Development Area Zhengyuan Marketing Co., Ltd. on Unfair Competition Dispute*
 - Serve as guidance to following similar cases
 - I. Whether FERRERO ROCHER Chocolate was earlier famous commodity
 - II. Whether the packaging and decoration applied by FERRERO ROCHER Chocolate were unique
 - III. Whether it is easy for the relevant public's to confuse and mistake FERRERO ROCHER Chocolate and "Jinsha TRESOR DORE" Chocolate

03

Trademark Protection

Ⓜ Trademark Protection

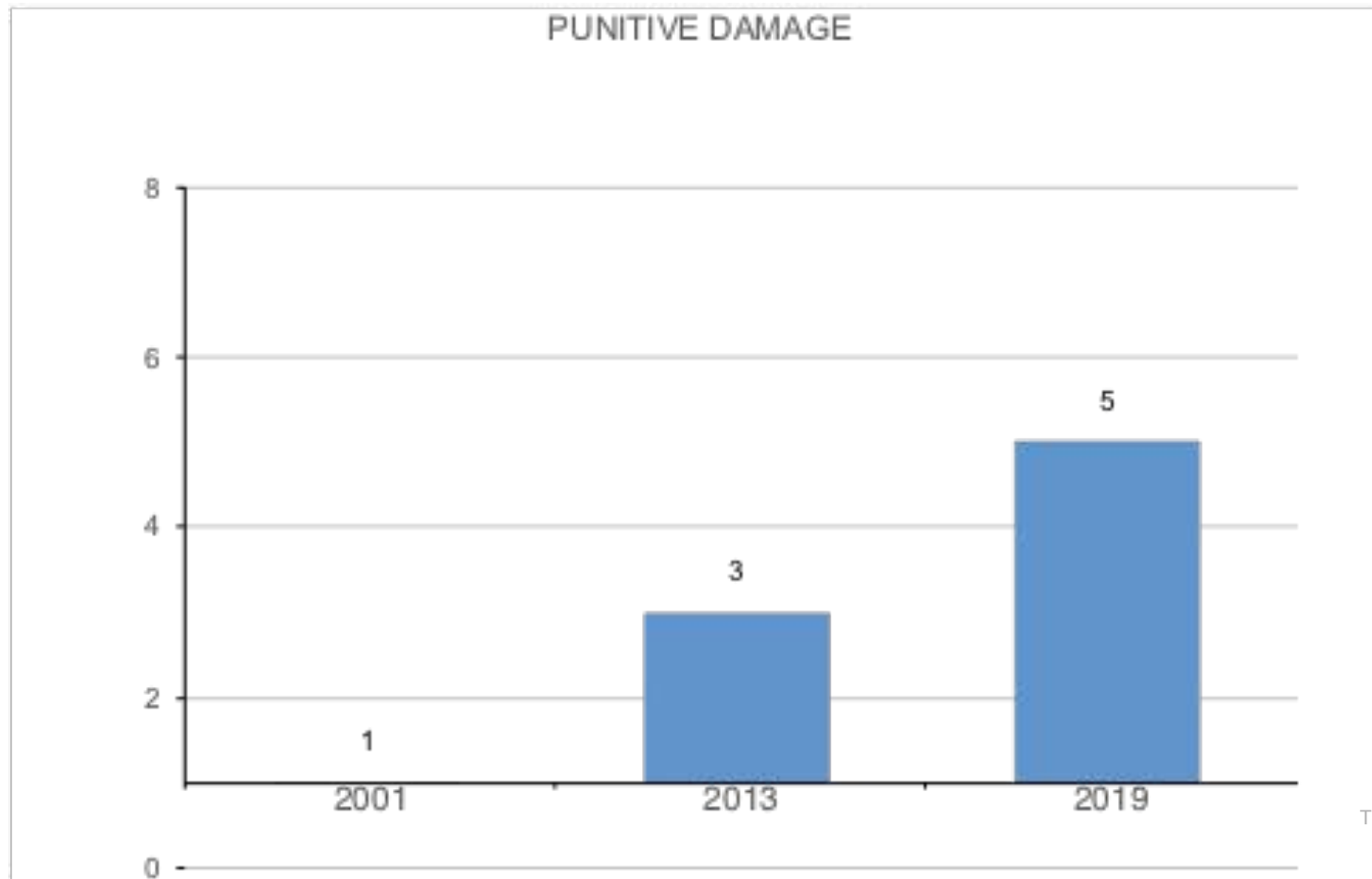
Crack down malicious squatter/infringer

- Where an infringer **maliciously infringes** upon another party's exclusive right to use a trademark and falls under grave circumstances, **the amount of damages may be determined as not less than one time but not more than five times the amount determined according to the foregoing methods.**
- Where the actual loss suffered by the right holder as a result of the infringement, the profits gained by the infringer from the infringement and the royalties of the registered trademark **concerned are difficult to determine**, the people's court shall render a judgment on awarding damages **of up to RMB five million** depending on the circumstances of the infringing acts.

China Trademark Law (2019)

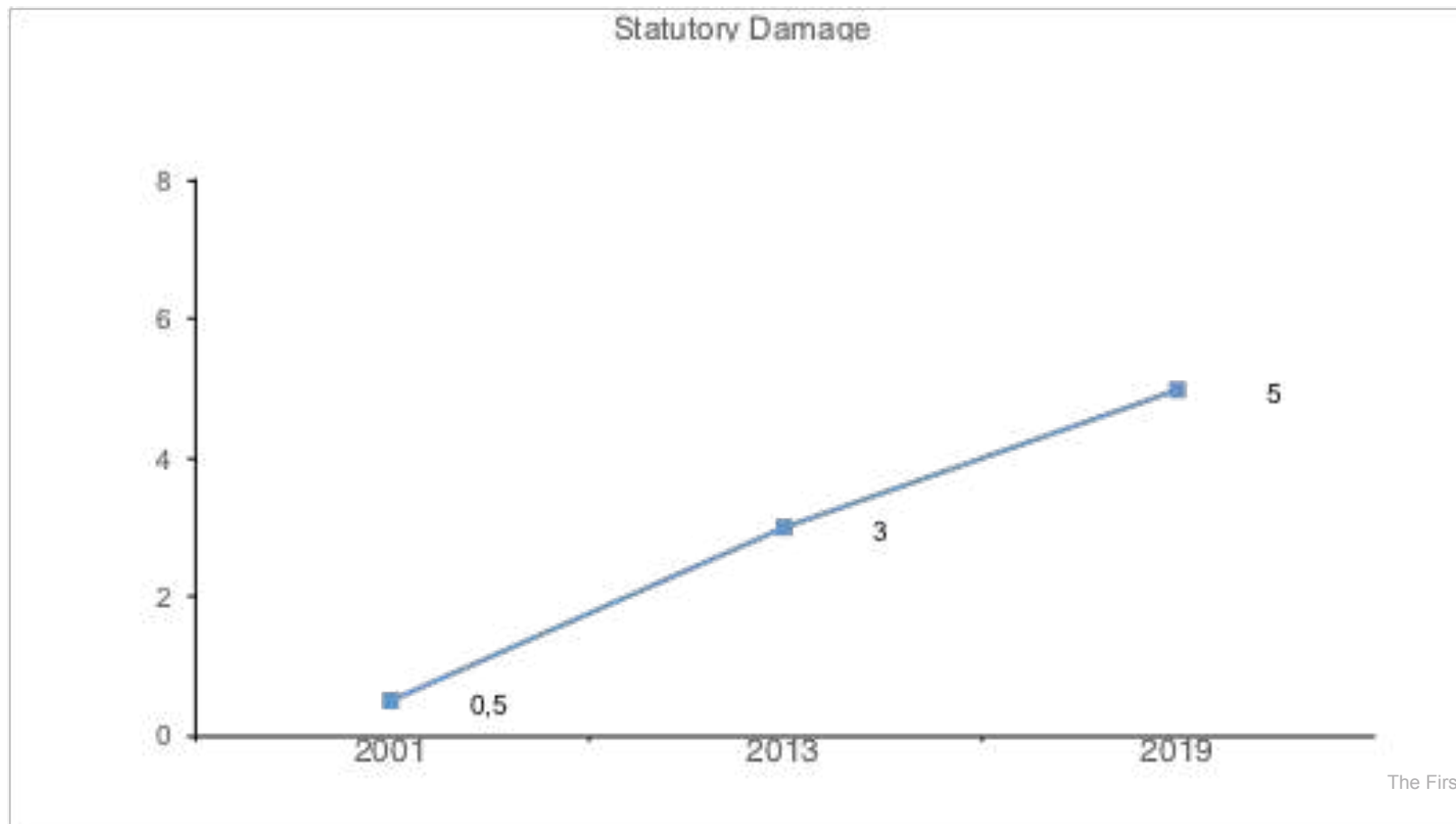
Ⓜ Trademark Protection

Crack down malicious squatter/infringer



Trademark Protection

Crack down malicious squatter/infringer



Ⓜ Trademark Protection

- Higher compensation

04

About me

中国首家律师事务所
The First Chinese Law Firm
www.glo.com.cn

About me



Jack Zhanke Li | Partner

D. 86-10-6584-6662

T. 86-10-6584-6688

F. 86-10-6584-6666

M. 86-138-1172-2924

E. lizhanke@glo.com.cn

Practice Areas

Mr. Jack Zhanke Li focuses his practice on IP matters, especially the litigations regarding patents, trademarks, know-how, copyrights and un-fair competitions. Jack is also experienced in providing other non-contentious IP legal services, like patent/technology related licensing, transactions and due diligence regarding the IP rights or technology.

Mr. Li has been providing service to notable PRC and foreign companies in different industries, including IT, telecommunications, Internet, manufacturing, chemicals, etc.

Mr. Li has handled several outstanding IP cases in recent years, e.g. one of the 50 typical IP cases of 2018 selected by the Supreme Court in which he represented NETCH, one of the top ten IP cases of 2018 in Shanghai in which he represented LEGO and the first patent infringement disputes in the field of bicycle-sharing, to which the corresponding patent invalidation proceeding was selected by PRB as 2017 Annual Case for open hearing.

Admission

Admitted in the PRC bar and Patent bar

Education

Master of Laws in IP Law, Peking University, 2006

Contact Us



Beijing (Headquarter)

15 & 20/F Tower 1, China Central Place,
No. 81 Jianguo Road Chaoyang District,
Beijing 100025, China

T. (86 10) 6584 6688

F. (86 10) 6584 6666

Shanghai Office

26F, 5 Corporate Avenue, No. 150 Hubin
Road, Huangpu District, Shanghai 200021,
China

T. (86 21) 2310 8288

F. (86 21) 2310 8299

Shenzhen Office

27th Floor Tower B, China Resources Land
Building, No. 9668 Shennan Avenue,
Nanshan District, Shenzhen 518052, China

T. (86 755) 8388 5988

F. (86 755) 8388 5987

All Rights Reserved.

Disclaimer. The contents of this article are for reference only and do not constitute legal advice. We are not responsible for any results of any actions taken on the basis of any information contained in this article, nor for any errors or omissions. We expressly disclaim all and any liability to any person in respect of anything and of the consequences of anything done or omitted to be done by any such person in reliance upon the whole or any part of the contents of this article. If legal advice is required, the service of a competent professional person should be sought.

The First Chinese Law Firm
www.glo.com.cn