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CHINA IPR NEWS

1. Over 970,000 patent applications received in 2009

According to the latest statistics, in 2009, SIPO received a total of 976,686 applications, up 17.9% over the previous year, 877,611 of which were domestic, representing 89.9% of the total and up 22.4% over the previous year; 99,075 of which were from abroad, representing 10.1% of the total and down 10.9%.

Among the patent applications received in 2009, there were 229,096 inventions, up 17.7%; 308,861 utility models, up 37.9%; 339,654 designs, up 13.7%. The three kinds of patent applications are respectively 26.1%、35.2% and 38.7% of the total.

SIPO granted a total of 581,992 patents in 2009, up 41.2%, among them, 501,786 were granted to domestic applicants, representing 86.2% of the total and up 42.4%; 80,206 were granted to foreign applicants, representing 13.8% and up 34.6%. Out of the granted domestic patent, 65,391 were inventions, representing 13% and up 40.4%. And, out of the granted foreign patent, 63,098 were inventions, representing 78.7% and up 33.9%.

Source: http://www.sipo.gov.cn/sipo2008/yw/2009/201001/t20100114_487693.html

2. From January 1st, 2010, Radio stations and TV stations should pay for broadcasting sound recordings

On December 28, 2009, the Supreme Court released a judicial interpretation on the application of law to patent right infringement cases, which contains 20 articles and came into effect on January 1st, 2010.

The interpretation is formulated based on the amended Patent Law of December 2008, the abundant experience gained by court in patent trial for many years as well as actual situation of patent protection in China, and it mainly includes:

determination of the protection scope for invention and utility model patents, principles to establish infringement of invention, utility model and design, application to existing technologies defense and the defense of prior use, confirmation of the admissibility of non-infringement lawsuits and so on.

3. China's State Council releases amended Implementing Regulations of the Patent Law

Chinese Premier WEN Jiabao signed the No.569 Decree recently, announcing the State Council's Determination on Amendment of the Implementing Regulations of Patent Law of People's Republic of China. The new Implementing Regulations came into effect from February 1, 2010.

Based on the amended Patent Law of December 2008, the amended Regulations provides more detailed stipulations by 123 articles in 11 chapters on the following issues: security examination of foreign filings, procedure and requirement of patent application, examination and grant, information disclosure of genetic resources for patent applications for inventions dependent upon genetic resources, patent evaluation report, compulsory licensing for exploitation of patent, patent pass-off and liabilities, incentive and remuneration of inventors or creators of service inventions.

4. SIPO releases new Patent Examination Guidelines

On January 21st, 2010, Lipu TIAN, Director of State Intellectual Property Office, signed Order No. 55 to release the Patent Examination Guidelines, which came into effect on February 1st, 2010.

The amendment of this Patent Examination Guidelines mainly focused on the adjustments made to patent law and its third amendment on rules for the implementation. With optimizing the procedure set-up, increasing the patent examination efficiency, and standardizing the patent examination in mind, some adjustments were made to patent application and examination criteria.

5. Supreme Court releases a Notice to adjust standards for jurisdiction of local court at various levels in cases of first instance of civil disputes over intellectual property rights

On January 28, 2010, the Supreme Court released *Notice on the adjustment of standards for Jurisdiction of Local Court at Various Levels in Cases of First Instance of Civil Disputes over Intellectual Property Rights* (Hereinafter referred to as Notice), by which the hierarchical jurisdiction in cases of first instance of civil disputes over intellectual property rights is adjusted.

In accordance with the Notice, the cases of first instance dominated by Higher Court include:

(1) the trial of first instance of a civil case over IPR with the subject matter of action at a value of at least 2 billion yuan; (2) the trial of first instance of a civil case over IPR where the place of domicile of one party is outside its territorial jurisdiction or where a foreign, Hong Kong, Macao or Taiwan element is involved with the subject matter of action at a value of at least 1 billion yuan.

The cases of first instance dominated by Primary Court, which has jurisdiction over common IPR cases, include:

(1) the trial of first instance of a civil case over IPR with the subject matter of action at a value of at most 5 million yuan; (2) the trial of first instance of a civil case over IPR where the places of domicile of all party are inside the territorial jurisdiction of their Higher Court or Intermediate Court with the subject matter of action at a value of 5 to 10 million yuan. The detailed standards shall be determined by Higher Court on its own initiative and be submitted to the Supreme People's Court for approval.

Intermediate Court shall have jurisdiction over the cases below the standard of Higher Court, however, those cases which fall under the jurisdiction of Primary Court as designated by the Supreme Court shall be exceptions.

LAW & PRACTICE

Generic Name 散利痛 (Sanlitong) , Registered trademark 散列通 (Sanlietong)

——“Sanlietong”trademark administrative dispute

By Shaohui Du

Applicant for retrial (third party of the first instance, appellant of second instance) : Southwest Pharma Co., Ltd.

Respondent (defendant of the first instance, appellant of the second instance) : TRAB of State Administration for Industry & Commerce of the People's Republic of China

Respondent (plaintiff of the first instance, appellee of the second instance) : Bayer Consumer Care AG¹

Court: The Supreme Court of the People's Republic of China

Case Number: (2009) XingTiZi No. 1

Date of Ruling: May, 25th, 2009

The disputed trademark 散列通 (Sanlietong) was filed by Southwest Pharma Co., Ltd. ("hereafter referred to as Southwest Pharma) on March 17th, 1992 and approved for registration on February 28th, 1993 on the designated goods of Western Medicines in Class 5. On July 30th, 1999, Swiss F. Hoffmann-La Roche AG (hereafter referred to as ROCHE) requested the TRAB (TRAB) to cancel the trademark 散列通 (Sanlietong) with the ground that 散列通 (Sanlietong) is similar to its priorly used and unregistered trademark 散利痛 (Sanlitong). The TRAB made a decision of ShangPingZi (2005) No.0675 on April 26th, 2005 to maintain registration of trademark No.631613 散列通 (Sanlietong).

ROCHE was dissatisfied with the decision of the TRAB, and filed a suit with the Beijing No. 1 Intermediate Court. This court made the judgment ((2005) YiZhongXingChuZi No.677) of cancelling the decision made by TRAB, and cancelling registration of 散列通 (Sanlietong). Southwest Pharma was dissatisfied with the judgment and filed the appeal

with Beijing Higher Court, and Beijing Higher Court ((2006) GaoXingZhongZi No.253) sustained the original judgment of Beijing No. 1 Intermediate Court.

Southwest Pharma was dissatisfied with the judgment made by Beijing Higher Court, and filed petition with the Supreme Court for retrial. The Supreme Court made the administrative decision of (2007) XingJianZi No.112-1 on January 14th, 2009 to retrial this case.

The main ground of Southwest Pharma's retrial application is that whether the trademark 散列通 (Sanlietong) should be cancelled or not should be judged on the basis of the actual situation and regulations when filling the trademark application. Before the year 2001, 散利痛 (Sanlitong) is always used as the generic name for the product; and in a long term after the 散列通 (Sanlietong) trademark was registered ROCHE did not use 散利痛 (Sanlitong) as their trademark, which apparently show their recognition of the fact that 散列通 (Sanlietong) is the generic name for the product. Given to the fact that 散利痛 (Sanlitong) is a generic name rather than a trademark, and neither inappropriate nor unfair means existed for the application of 散列通 (Sanlietong), thus the trademark should remain in force according to the law.

The third party, Bayer Consumer Care Ltd.(hereafter referred to as Bayer), argued that : 1. Southwest Pharma made trademark squatting for 散列通 (Sanlietong) in obviously bad faith; 2. the disputed trademark 散列通 (Sanlietong) is very similar to its own trademark 散利痛 (Sanlitong).

The Supreme Court held that the main issue of this case² is whether the trademark registration for 散列通(Sanlietong) made by Southwest Pharma violated

1. During the course of the original trial, the plaintiff is F.HOFFMANN-LA ROCHE AG. After the second instance, trademark 散利痛 (Sanlitong) is transferred from ROCHE to Bayer Consumer Care Ltd. ROCHE withdrew from the proceedings and Bayer took all the litigation rights and obligations for this case.

2. From the year 1987 to 1991, ROCHE and Southwest Pharma signed a cooperation agreement in which Southwest Pharma was licensed to use the mark Saridon (散利通) and manufactured Saridon painkillers.

Article 13 of trademark law (the protection field of well-known mark) and Article 31 (No trademark application shall infringe upon another party's existing prior rights. Nor shall an applicant register in an unfair means a mark that is already in use by another party and has certain influence).

The right basis of ROCHE applying for the cancellation of trademark 散列通 (Sanlietong) is the trademark of 散利痛 (Sanlitong); accordingly, whether 散利痛 (Sanlitong) is a prior unregistered trademark of ROCHE when 散列通 (Sanlietong) is applied for registration should be analyzed before judging whether the trademark registration for 散列通 (Sanlietong) by Southwest Pharma violated Article 31 of the trademark law.¹

In fact, "Saridon painkillers" is a kind of antipyretic and analgesic medicine which is paracetamol-based and auxiliary plus caffeine and isopropyl antipyrine. Before October 31st, 2001, "Saridon painkillers" was taken as the pharmaceutical standard respectively by Sichuan Province and Shanghai, and defined as a statutory generic drug name by Ministry of Public Health. Since October 31st, 2001, local standard of compound recipe for Paracetamol Tablets fell into disuse, and the former name of this product "Saridon painkillers" is used for transition.

Therefore, the Supreme Court held that before the revision of local standard on October 31st, 2001, 散利痛 (Sanlitong) is the generic name of antipyretic and analgesic medicine which is paracetamol-based and auxiliary plus caffeine and isopropyl antipyrine. However, according to Pharmaceutical Administration Law of the People's Republic of China (1984), medicine must bear a registered trademark, where no trademark registration has been granted, the products can not be marketed, and the registered trademark must be indicated on both medicine's package and its label Since

1. In the court trial, Bayer Consumer Care Ltd. Clearly gave up taking Article 13 of Trademark Law as the reason for cancelling trademark 散列通 (Sanlietong), and the court did not examine that reason accordingly.

Pharmaceutical Administration Law forbidden the use of unregistered trademark on medicine, when Southwest Pharma applied for registration of 散列通 (Sanlietong) and at the time it was approved for registration, 散利痛 (Sanlitong) was not a registered trademark for Saridon painkillers. The two parties marking 散利痛 (Sanlitong) on their joint Saridon painkillers² should be deemed to mark the generic name on products rather than using of an unregistered trademark.

The Supreme Court concluded that: As 散利痛 (Sanlitong) is not an unregistered trademark when Southwest Pharma applied for registration of 散列通 (Sanlietong), therefore it can not be taken as the right basis of ROCHE. The ground that Southwest Pharma's registration of 散列通 (Sanlietong) did not violate the regulations of trademark law was accepted and supported by this Court. And the judgment of Beijing Higher Court (2006) GaoXingZhongZi No.253 and Beijing No. 1 Intermediate Court YiZhongXingChuZi No.677 are cancelled and the decision of TRAB ShangPingZi (2005) No.0675 is sustained.

Comments

The legal ground for whether trademark 散列通 (Sanlietong) should be cancelled is Article 31 of Trademark Law, which is *No trademark application shall infringe upon another party's existing prior rights; Nor shall an applicant register in an unfair means a mark that is already in use by another party and has certain influence.* Therefore, whether 散列通 (Sanlietong) is a trademark of medicine or its generic name is the key point for judging ROCHE's prior right; the time boundary to judge whether 散利痛 (Sanlitong) is medicine's trademark or its generic name is the application date of the trademark. 散列通 (Sanlietong). Nevertheless, if ROCHE filed trademark application for 散利痛 (Sanlitong) firstly at the beginning of cooperating with

2. From the year 1987 to 1991, ROCHE and Southwest Pharma signed a cooperation agreement in which Southwest Pharma was licensed to use the mark Saridon (散利通) and manufactured Saridon painkillers.

Southwest Pharma, or the two parties regulated 散利痛 (Sanlitong) as the trademark rather than medicine name during their cooperation, this case would have a totally different result.

The judgment made by the Supreme Court actually has significance only for the specific case, because this judgment failed to give out neither specific criteria nor factors for consideration on “how to identify the generic name for a product”. Moreover, Chinese Trademark Law regulates that the generic name of a product can not be registered as a trademark. For this case, the Supreme Court did not make a judgment on whether 散列通 (Sanlietong) is similar with 散利痛 (Sanlitong); thereby avoided to explore another legal issue, which is: if 散列通 (Sanlietong) is similar with 散利痛 (Sanlitong) and 散利痛 (Sanlitong) is affirmed to be generic name of this medicine, whether 散列通 (Sanlietong) could still be registered?

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Contact us:

Tel: + 86 10 82339088

Fax: + 86 10 82331881

E-mail: mail@deqi-iplc.com

Address: 7/F, Xueyuan International Tower, No. 1 Zhichuan Road, Haidian District, Beijing, P.R.China

Postcode: 100083

Website: www.deqi-iplc.com