

Lawsuit Updates

Supreme People's Court: Enterprise's standards recordal not constituting disclosure in the sense of the Patent Law:

Review of a case of administrative dispute between the PRB and the Aijike Corporation over patent invalidation (Judgment No. Xingtizi 3/2007)

This case involved a patent (98248629.4) for the utility model of a device for intercepting waste cotton in the cotton sucking pipe in a cleaner. On 4 April 2001, the Aijike Corporation based in Rugao City, Jiangsu Province, China file a request with the Patent Reexamination Board (PRB) for invalidation of said patent. On 26 March 2003, the PRB made Invalidation Request Examination Decision No. 4988, declaring claims 1 - 9 of the utility model patent 98248629.4 invalid and keeping its claim 10 valid mainly on the ground that evidence 5 used to ruin the novelty of claim 10 (enterprise's standards recordal) was corporate standards, and not a public publication.

In the following litigation and appeal, the first-instance court ruled, on 28 November 2003, to have upheld the PRB's Decision 4988 while the second-instance court, the Beijing Higher People's Court, held that evidence 5 could be used as a reference for assessing the novelty of the patent in suit, decided, on 29 September 2004, to have reversed the first-instance administrative ruling and Decision No. 4988, and decided that the utility model patent 98248629.4 was invalid.

In reviewing the case of administrative dispute over the patent invalidation, the Supreme People's Court held that the interest party's enterprise's standards recordal in suit did not constitute the disclosure in the sense of the Patent Law; the determination, in the second-instance ruling, of the novelty of the patent in suit went beyond the scope of judicial review of invalidation examination decision because the invalidation requester did not bring the action out of this cause, nor was the matter examined in the former invalidation proceedings; the court should only review the decision made by the administrative authority on patentability in the manner provided for in the laws current in force, and should not rule on the validity of the patent right in suit. After determining that the patent in suit lacked novelty, the second-instance court did not review the inventiveness of said patent. In fact, the court

should have proceeded to examine the matter of inventiveness over which the two parties disputed when the Supreme People's Court decided that said patent possessed novelty.

On 2 June 2008, the Supreme People's Court ruled to have reversed the second-instance administrative ruling, and remanded the case to the Beijing Higher People's Court.

Case of opposition to the “BAOJIE” trademark was rejected by the first-instance court

(Judgment No. Yizhongxingchuzi 35/2008)

On 27 July 1998, the Shantou City Nantian Industrial Co., Ltd. filed an application for registration of the “宝洁 BAOJIE and device” mark (with the two signs of “宝洁 and BAOJIE” identical with the Chinese name of the US P&G in form and in pronunciation, to be used in respect of the goods of garments in class 25. P&G raised an opposition to the application for registration of said mark in suit. On 22 August 2007, the Trademark Review and Adjudication Board (TRAB) determined that registration of the mark under opposition did not infringe P&G's prior trade name right, and decided to approve the registration of the mark in suit.



The mark under opposition

Dissatisfied with the TRAB's decision, P&G sued in the court against the TRAB. Upon hearing the case, the Beijing No.1 Intermediate People's Court held that P&G had only submitted the certificate of the registration of “宝洁” mark (pronounced as “bao jie” in Chinese), which was not sufficient to prove that said mark had met the requirement for being established as a well-known mark, so its claim for cross-class protection for said mark was not supported by the court. Besides, P&G did not present evidence to show that its mark was used in respect of the goods identical with or similar to those designated to be used in respect of the mark under opposition and that it had had certain influence, nor did P&G show that its mark used in respect of cleaning products was so reputable as to reach the scope of goods in respect of which the mark under opposition was to be used, and that the latter would create confusion on the part of the public. Accordingly, the court held that the P&G's claim that the mark under opposition was likely to cause public

association with its trade name was not supported with evidence, and the registration of the mark under opposition was not contrary to the law provisions.

On 20 March 2008, the court made the first-instance ruling to have upheld the TRAB's decision on the opposition to the registration of the “宝洁 BAOJIE and device” mark.

Registration of the “Zippo” three-dimensional mark judicially affirmed

(Judgment No. Yizhongxingchuzi 1299/2007)

On 15 December 2001, the Zippo Corporation filed, with the State Trademark Office, application 3031816 for registration of the Zippo three-dimensional mark to be used in respect of “lighter used for smoking”. On 20 August 2002, the Trademark Office refused said application.

Dissatisfied with the refusal, Zippo applied for reexamination in December 2002. Upon hearing the case, the TRAB held that the three-dimensional shape of the three-dimensional Zippo mark was a relatively common shape only showing the generally-used form of the designated goods. The mark did not have distinctive character, so was contrary to the provision of the Trademark Law. Accordingly, the TRAB decided, on 13 June 2007, to have refused the application for the registration of the Zippo three-dimensional mark. Also dissatisfied, Zippo sued the TRAB in the Beijing No. 1 Intermediate People's Court.



Zippo three-dimensional mark

In hearing the case, the court held that the Zippo three-dimensional mark contained seven constituent elements, but the TRAB had dealt with only five of them in its decision in suit, and disregarded the sixth and seventh elements, so it was a case where the administrative decision had been made with unclearly ascertained facts.

Further, the court believed that while the Zippo three-dimensional mark as a whole was a design similar to a rectangle shape, it contained several elements. Especially, the seventh element was obviously different from the main part of smooth transition. So the overall design of said mark was original, and the mark was not in a shape of regular choice. And due to this originality, said mark was not a standard design of the plaintiff's Zippo brand lighter. Instead, the mark, indicative of the source of the products,

had the distinctive character, so it was eligible for registration. Therefore, it should be protected under the law.

On 6 March 2008, the court made the ruling in the case to have reversed the TRAB's reexamination decision on refusal of the application for registration of the Zippo three-dimensional mark.

Since the defendant did not appeal, the ruling has taken effect.

BIOFRESH vs. Bio Fresh: Fair use not infringement

(Judgment No. Hugaominsan(zhi)zhongzi 61/2008)

The Bossy China Home Appliance Co., Ltd (Bossy), a China-based manufacturer of Siemens refrigerators, used the word "Bio fresh" on the doors of the refrigerator compartment of the refrigerators it manufactures. The Liebherr International Deutschland GmbH (Liebherr) sued Bossy in the court on the ground that the latter's act of using the word infringed its right in the trademark "BIOFRESH". The court of first instance held that Bossy's act of using the word was a fair use, and did not constitute an infringement, so ruled to have rejected the former's litigant claim.

Dissatisfied, Liebherr appealed. The court of second instance held that, first, the typeface of "Bio fresh" and "BIO-Fresh" Bossy used was completely different from that of the appellant's registered mark "BIOFRESH". The root "bio" of the word combination meant "biology", and "Fresh" "fresh". Besides, Bossy used the word in suit on the alleged infringing goods together with the four Chinese characters pronounced "sheng wu bao xian" (meaning "retaining or preserving freshness by biological means"); hence Bossy's explanation that its use of the word in suit was to show the function of the goods was tenable. Next, Bossy did not put the word in suit notably on the alleged infringing goods, and the word took up a relatively small space; and a much bigger boldfaced word was put there to indicate the "SIEMENS" mark. Therefore, Bossy's way of using the word in suit would not confuse or mislead the relevant section of the public about the source of the alleged infringing goods; its use was fair, and did not infringe the appellant's exclusive right to use the registered trademark. The court made the judgment to have rejected the appeal, and upheld the first-instance judgment.

RITZ vs. RITS: Similarity of representation and service constituting infringement

Judgment No. Huyizhongminwu(zhi)chuzi 12/2008

The Ritz-Carlton Hotel Company LLC. (Ritz-Carlton) is a globally famous hotel business corporation. "RITZ" has been in use as its trade name and main trademark for nearly 100 years, and, as well, has been registered as a trademark in China. The Shanghai Lichi Fitness Co., Ltd (Lichi), mainly a provider of the services of sauna bath, massage, body-building, and beauty treatment and hairdressing, used the "RITS" mark in its business activities without authorisation from Ritz-Carlton. Ritz-Carlton, believing that the RITS mark was similar to its "RITZ" mark, and the service Lichi engaged in was similar to that in respect of which its registered mark was used, sued Lichi for infringement.

Upon hearing the case, the court held that, by comparison, "RITS" and "RETZ", both composed of foreign letters, were similar in pronunciation, and identical in typeface. Besides, they were also the same in the component letters, except the last one, and in the sequency of these letters. It was, therefore, determined that the two marks, which were used on the identical or similar services, constituted similarity. Lichi's use of the "RITS" representation on the similar services in respect of which the Ritz-Carlton's registered mark was used was likely to mislead the relevant section of the public about the source of the services or make them associate these services with those of Ritz-Carlton to a certain extent. Accordingly, the court ruled that Lichi cease using the "RITS" representation in its business activities, and pay Ritz-Carlton RMB 200,000 yuan in compensation for its economic losses. ■

RITZ-CARLTON

The infringed mark



The accused
infringing mark