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#### Lawsuit Updates

### Rosemount v. Rosement

(Judgment No. Huyizhongminwu(zhi)chuzi 360/2007)

Rosemount Inc., incorporated in 1956, is a part of the process control operation section of the Emerson Electric, which is one of the world top 500 enterprises. Rosemount Inc. is a manufacturer of a series of pressure, temperature, flow and liquid level measurement products. On 30 March 1982, the Rosemount Inc. registered the “ROSEMOUNT” trademark in China to be used on goods of pressure and temperature sensitivity instruments in class 9, and it set up a joint venture, the Shanghai Rosemount Co., Ltd, which changed its enterprise name into the Emerson Process Control Co., Ltd.

The Shanghai Rosement Instrument Co., Ltd. (Rosement for short) was established in November 2004. It was registered in the name of the Shanghai Rosement Industrial Co., Ltd., and, later, changed its name into the name used now in May 2006. On 23 November 2004, the Corporation applied for the registration of “Rosement” and the four Chinese characters “罗斯蒙特” (pronounced “luo si meng te”, which is identical with the Chinese transliteration of the mark “ROSE-

MOUNT”) marks to be used on goods in class 9. The two marks are now under opposition.

In 2007, the Rosemount Inc. brought an action against Rosement in the court on the ground that the latter had used, without authorisation, the “ROSEMENT and 罗斯蒙特” marks, which were confusingly similar to its “ROSEMOUNT” mark, and the use infringed its exclusive right to use the registered “ROSEMOUNT” mark, requesting the court to order the defendant to stop the infringement and pay RMB over 820,000 yuan in compensation for the damages and litigation expenses.

Upon hearing the case, the court held that the “ROSEMOUNT” brand had had relatively high repute in the industry, and the four Chinese characters pronounced “luo si meng te” had become known to the relevant sector of the public, and decided that the “ROSEMENT” trademark the defendant used and the plaintiff’s registered mark “ROSEMOUNT” were similar marks. Besides, since “ROSEMENT” was associated with the four Chinese characters through long-time use, the court decided that the defendant’s mark of “luo si meng te” was similar to “ROSEMOUNT”. Accordingly, the court made the ruling, on 19 July 2008, ordering the defendant to stop infringing the plaintiff’s exclusive right to use the registered mark “ROSEMOUNT”, and pay RMB 300,000 yuan in compensation for the damages.

In the Rosemount Inc. and its Beijing Subcompany v. the Shanghai Rosement Instrument Co, Ltd., another case of unfair competition (Judgment No. Huyizhongminwu(zhi)chuzi 359/2007), the court ordered Rosement to cease using the “luo si meng te” trademark, cease using the goods bearing the four Chinese characters and trade dress that were identical with or not visually different from that of the plaintiff’s product, and pay the plaintiff RMB 100,000 yuan in compensation for the damages.

### Case of trademark right dispute arising from registration of “WEIGE (偉哥)” mark:

Pfizer v. Guangzhou Weierman Pharmaceuticals Co., Ltd., et al., a case of trademark right dispute involving unfair competition and infringement of non-registered well-known mark

(Judgment No. Gaominzhongzi 1685/2007)

“WEIGE”, generally regarded as the Chinese transliter-

ation of “VIAGRA”, the trademark used on a drug the Pfizer has manufactured to treat erectile dysfunction. The Viagra drug was put on the market in the U. S. in 1998 and the Chinese market in June 2000. In October 1996, Pfizer filed an application with the Trademark Office for the registration of “VIAGRA” trademark to be used on goods in class 5, and was approved for the registration thereof. In June 1998, the Guangzhou Weierman Pharmaceuticals Co. Ltd. (Weierman) filed an application for the registration of “WEIGE” trademark to be used on goods of medicine for human being and biochemical medicine. The application was published after preliminary approval, and remained under opposition. During this period, Weierman licensed several corporations to use the “WEIGE” mark to market drugs. On 12 August 1998, Pfizer filed an application for registration of the word mark “WEIGE”, which was refused, and is now under the reexamination or review of the refusal.

In 2006, the US Pfizer, together with its China-based enterprise, the Pfizer Pharmaceuticals Co., Ltd., sued in the court to request the court to establish “WEIGE” as its non-registered well-known mark in China, order Weierman and the other two corporations (the licensees of “WEIGE” mark and the distributors of the products) to cease infringing its trademark right and pay for the damages of RMB 500,000 yuan.

The present case, heard by the Beijing No. 1 Intermediate People’s Court and the Beijing Higher People’s Court, was closed on 20 March 2008. The courts of two instances refused Pfizer litigant claims.

The courts made their judgments mainly on the grounds that although Pfizer applied for registration of the word mark “WEIGE” in Hong Kong SAR and the Taiwan region, under the doctrine of the doctrine of separate protection of trademarks, Pfizer did not enjoy the right and interest in the “WEIGE” mark in mainland China; though “WEIGE” was often taken as the equivalent of “VIAGRA” in the news report, Pfizer and the Pfizer Pharmaceuticals Corporation did not produce any evidence to prove that the Pfizer Inc. was the legitimate proprietor of “VIAGRA” mark. Since the Pfizer Inc. and the Pfizer Pharmaceuticals Corporation did not actually use the “WEIGE” mark in mainland China, nor presented any evidence of advertising the mark in suit or provided the record of the “WEIGE” mark being protected in China as a well-known mark and other evidence proving the well-knownness of the “WEIGE” mark, the claim that “WEIGE” was a non-registered well known mark of the Pfizer Inc. in China

was not tenable for lack of actual and legal bases. The evidence from Pfizer and Pfizer Pharmaceuticals Co, Ltd. could not prove that the act of Weierman and other two corporations had constituted trademark infringement and unfair competition.

It is found out that Pfizer appealed to the Supreme People’s Court for review of the case. Meanwhile, since the Weierman’s the “WEIGE” mark remained under opposition and Pfizer’s application for registration of the WEIGE mark is to be reexamined after refusal, the ownership of the registration of the WEIGE mark remains undecided.

### Administrative case involving invalidation of AGA’s patent: debate on “plate” and disc” shapes

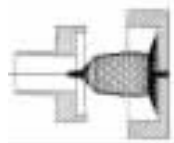
(Judgment No. Gaoxingzhongzi 132/2008)

AGA was the owner of the patent 97194488.1 for the invention of “percutaneous catheter directed intravascular occlusion devices”, which was an invention of improvement, and what was at issue in the case was whether said patent possessed inventiveness compared with its basic patent.

In the examination during the patent invalidation proceedings, the Patent Reexamination Board (PRB) decided, on 28 June 2007, to have kept patent right in suit valid, holding that the patent in suit had the technical effect not disclosed in evidence 1 (the basic patent) due to its disc shape, and claim 1 of the patent in suit had prominent substantive features and represented notable progress compared with evidence 1 and evidence 2; hence the technical solution claimed in said patent possessed inventiveness.

Dissatisfied with the decision, the invalidation requester brought an action in the court.

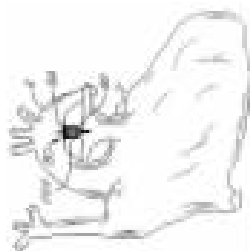
The Beijing No. 1 Intermediate People’s Court held that the “disc shape” as defined in claim 1



Evidence 1



Fig. 13 in the patent description



The position of an occlusion device

of the patent in suit was literally clear and specific, and the shapes of the “plate” and “disc” were not obviously different. The “disc shape” was not verbally described, nor was it clearly defined in the description. That is, as stated in the description, “the plate was in a cup shape” Fig. 13 in the description of the patent in suit showed the pre-determined shape of the “apparatus”, which “the plate is in a cup shape”. For that reason, the PRB erred in believing that the pre-determined shape of the apparatus according to claim 1 of the patent right in suit was in a disc shape, so did the PRB in its conclusion made from the comparison of said technical feature and evidence 1 and evidence 2. Accordingly, the court ruled to have reversed the PRB’s decision and required the PRB to make another invalidation examination decision.

Dissatisfied with the ruling, AGA appealed.

The Beijing Higher People’s Court also believed that in this case the “plate” and “disc” were not obviously different. AGA’s claim was not tenable that the “disc shape” was the “pre-determined shape” and that the “disc shape” in the claim 1 of the patent in suit was diametrically different from the plate shape in evidence 1, and decided to “have rejected the appeal and upheld the former ruling”.

### Pepsi’s opposition to mark registration tenable and Trademark Office’s reexamination decision reversed

(Judgment No. Jingyizhongchuzi 1280/2007)

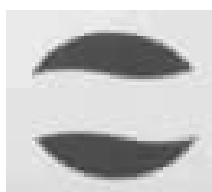
On 9 September 1997, the Chongqing Yongchun City Guanghua Hi-tech Development Co., Ltd. (Guanghua for short) filed an application for the registration of the words and device trademark No. 1229304 to be used on goods in class 29, with the words of the trademark composed of the English words “CENTURY GLORY”, the Arabic numeral “100” and the four Chinese characters “bai nian guang cai” (meaning “century glory”).

Pepsi filed, on 17 and 14 December 1990, applications for the registration of the trademarks Nos. 572873 and 572874 to be used on “fruit jelly, preserved vegetable and fresh milk” in class 29.

Pepsi raised opposition to the registration of trademark No 1229304 (the trademark under opposition ) on the ground that it was similar to said two registered trademarks (the ref-

erence marks). The Trademark Office made its Decision No. Shangbiaoyizi 789/2000 to have rejected Pepsi's opposition, and approved the registration of the mark under opposition. Dissatisfied with the decision, Pepsi filed an application for review and adjudication of its opposition with the Trademark Review and Adjudication Board (TRAB), which made, on 4 June 2007, Adjudication No. 2109 to have upheld the former decision. Then, Pepsi brought an administrative litigation.

The court held that since the reference marks and the mark under opposition were used on similar goods, what was at issue was merely whether they were similar or not. These marks were different in that to the device of the mark under opposition were added the English words, Arabic numerals and Chinese characters. Since all these trademarks had a device which was designed in a special way, this device had a relatively prominent visual effect in the design of the mark under opposition, and consumers would be easily attracted to the mark under opposition on seeing this special device. While the mark under opposition contained the English words, Arabic numerals and Chinese characters, the presence of these lexical items was not sufficient to make it less likely to create confusion of the mark under opposition with the reference marks on the part of the consumers. Accordingly, the mark under opposition was similar to the reference marks. The TRAB's Decision No. 2109, made with unclear facts and erroneous application of law, should be reversed by the court. (5141 CWT)



The reference mark (Pepsi)



The mark under opposition

## Authors sued database producer for infringement of copyright in their theses and dissertations

(Judgment No. Haiminchuzi 9947/2008)

From 6 to 20 July 2008, the Beijing Haidian District Court heard and closed Zheng Xiaodong and other 506 thesis and dissertation authors v. the Beijing Wanfang Database Co., Ltd. (Wanfang for short), deciding that

Wanfang's unauthorised use of theses and desertions of 421 out of the 507 authors involved in the case constituted infringement.

Wanfang, a provider of information products, produced the database of theses and dissertations written by MA and Ph.D candidates for meeting their requirement for conferring advanced academic degrees in China, in which were collected the 507 plaintiffs' theses and dissertations of 50,000 to 300,000 words without direct authorization from them. The 507 plaintiffs believed that Wanfang's act had infringed their copyright in their academic papers, requested it to immediately cease the infringement, made an open apology, and pay for their damages, spiritual injury and the reasonable litigation expenses, at the amount ranging from RMB 25,000 to 69,000 yuan.

The court held that Wanfang's sale to its users of the database was commercial use of these theses and dissertations, not fair use by libraries under the Copyright Law, and its act to have collected these works in the database in suit and provided them to its user without authorisation constituted infringement of the authors' right of reproduction, right of compilation and right of communication of information on network. As for the unpublished papers, it had also infringed their right of publication. Accordingly, the court ruled that Wanfang cease infringing the 421 plaintiffs' copyright in their works, make an open apology, and pay for their damages and the reasonable litigation expenses, at the amount ranging from RMB 2,300 to 3,300 yuan. The court did not support the plaintiffs' claim for spiritual injury. In the other 73 cases, the 73 plaintiffs had concluded licensing agreement with their respective university for using their theses and dissertations, and in these licensing agreements were not set forth any provisions expressly prohibiting re-licensing or re-authorisation. The court held that under this circumstance, the re-authorisation obtained by Wanfang should be deemed to be legal authorisation by the plaintiffs, and thus rejected the 73 plaintiffs' litigant claims.

Still other 13 plaintiffs had withdrawn their litigant claims.

It has been made known that still over 480 authors sued Wanfang in the Beijing Chaoyang District Court on the same ground, claiming damages amounting to RMB 3,500,000 yuan. Since in the database in suit had been collected more than 800,000 theses and dissertations, Wanfang is quite likely to be faced with more lawsuits. ■

(Xiao Hai)