



Loeb & Loeb Is Making Connections ...

Building Intellectual Property Portfolios in Tomorrow's Asia

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Today's Presenters



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Our ROADMAP

- Introduction: The “Asian Five”
- Current State of IP law
- Latest Updates/Changes
- Strategic Comments
- Q&A

The Asian Five



Introduction: Why these five?

1. Enormous potential for business and trade opportunities
2. Similar IP structure and regional collaborations for US businesses can take advantage of
3. Some have free trade agreements with the US (for now)
4. Some possess enforcement challenges, while others do not
5. Potential changes in US trade and political policies may negatively affect how we should formulate strategies

Japan — Current Status

Patent Law

- Reintroduced post-grant opposition in April 2015
- Public disclosure grace period is 6 months

Japan — Latest Update



Patent Law

- Introduced classification for Internet of Things (IoT)
- Amended on April 1, 2016:
- Reduction of fees for filing extensions to respond to Office actions under patent examination only (not for ones received during the appeal process)
- Reduction of application fees and annuities

Japan — Latest Update

Trademark Law

- Amended on April 1, 2016
- Enable to obtain a two-month extension of time to respond to Office actions (to be requested within the two-month after the initial due date)
- Reduction of issue fees and renewal fees



Japan — Latest Update



Issue Fees for Trademark

	On or before March 31, 2016	On or after April 1, 2016
Registration fee (in a lump sum for 10 years)	37,600 yen per class (US\$317.17.-)	28,200 yen per class (US\$237.88.-)
Registration fee (in two installments for the first 5 years)	21,900 yen per class (US\$184.73.-)	16,400 yen per class (US\$138.34.-)
Registration fee (in two installments for the second 5 years)	21,900 yen per class (US\$184.73.-)	16,400 yen per class (US\$138.34.-)

Issue fees for Defensive Mark

	On or before March 31, 2016	On or after April 1, 2016
Registration fee (for 10 years)	37,600 yen per class (US\$317.17.-)	28,200 yen per class (US\$237.88.-)

Japan — Latest Update



Renewal fees for Trademark

	On or before March 31, 2016	On or after April 1, 2016
Renewal fee (in a lump sum for 10 years)	48,500 yen per class (US\$409.11.-)	38,800 yen per class (US\$327.29.-)
Renewal fee (in two installments for the first 5 years)	28,300 yen per class (US\$238.72.-)	22,600 yen per class (US\$190.64.-)
Renewal fee (in two installments for the second 5 years)	28,300 yen per class (US\$238.72.-)	22,600 yen per class (US\$190.64.-)

Renewal fees for Defensive Mark

	On or before March 31, 2016	On or after April 1, 2016
Registration fee (for 10 years)	41,800 yen per class (US\$352.59.-)	33,400 yen per class (US\$281.74.-)

People's Republic of China (incl. Hong Kong & Macau) – Current Status



Patent Law

- Last amended in 2008
- Electronic filing available, but pending applications' file wrapper unavailable after the application is published
- Cannot submit test data or clinical trial data after filing date
- Business methods are not patentable
- Three IP Courts (Beijing, Shanghai, and Guangzhou) established in 2014.
- Provide subsidies on patent filing fees (Chinese patents and Patent Cooperation Treaty (PCT) applications) by local (municipal) and provincial governments
- Registration system in Hong Kong (no substantive examination) and no direct filing

People's Republic of China (incl. Hong Kong & Macau) – Current Status



Trademark Law

- Last amended in 2012 (went into effect in 2014)
- New section 1 in **Article 7**: Applicant who files for a trademark registration and uses a trademark should be done in good faith
- **Article 8** is amended to include "sound" as a new mark registrable in China
- **Article 10** (governing what cannot be used as trademarks), section 1, subsection 7 is amended to include "having deceptive nature that can easily confuse the public of a product's quality or other characteristics or its source of origin."
- New section 1 in **Article 13**: For marks that are well-known to the relevant public, the right holder of the mark may request the protection of a well-known mark under this title if the right holder believe its right has been infringed.
- New subparagraphs in **Article 14**: Party who asserts violation of its rights under Article 13 has the option to seek a court determination of well-known mark status.

People's Republic of China (incl. Hong Kong & Macau) – Current Status



Trademark Law

- New section 2 in **Article 15**: For a trademark application on the identical class or similar classes of goods as a prior used but unregistered mark owned by another, if the application knows the existence of a prior mark via a contract other than the ones mentioned in subsection above, through business dealings, or other means, said trademark application shall be rejected upon the opposition by the prior mark right holder
- New **Article 22** (as a result of consolidation of old Articles 19 and 20) includes provisions that allows one application to designate multiple classes and allows electronic filing
- New **Article 28** (based on old Article 27) requires that the trademark office shall conclude the examination of a trademark application within 9 months from date of filing

People's Republic of China (incl. Hong Kong & Macau) – Latest Update



Patent Law

- IP5 PPH program extends for another 3 years from 1/6/2017
- Solicit comments of the Fourth amendments to the Patent Law
- Amendments to the implementing regulations directed to mental activities (business methods)
 - ❖ **Section 4.2.1.2:** if there are technological features along with business rules and processes, then such invention may not be deemed mental activities
 - ❖ Computer-implemented method claims may include components or modules that are software-based
 - ❖ Experimentation data, test data, clinical trial, etc., may be submitted after the filing date and the examiner shall review whether the original specification provides support.
 - ❖ Public inspection of pending application's office actions, search reports, etc.

People's Republic of China (incl. Hong Kong & Macau) – Latest Update



Patent Law

- Supreme People's Court's interpretation (4/1/2016).
 - ❖ Requires more facts in pleading
 - ❖ If a claim has been found invalid by the Patent Re-examination Board (PRB), the court that handles the patent infringement lawsuit brought by the patentee may dismiss suit based on the invalid claim
 - ❖ Trial and appeal courts may apply prosecution history to interpret claim terms
 - ❖ Instructions for relying upon ordinarily skilled artisan
 - ❖ Explains the effect of preambles in claim interpretation
 - ❖ Order of method claims may have an limiting effect

People's Republic of China (incl. Hong Kong & Macau) – Latest Update



Patent Law

- A new patent system proposed in Hong Kong
- Direct filing is available, along with a re-registration system
- Patent examination of the directly filed applications (standard patent) is done by State Intellectual Property Office (SIPO)
- Stay tuned → new system to arrive in late 2017/early 2018

Republic of Korea (South Korea) — Current Status



Patent Law

- Substantive examination due date: 5 years from the date of the application
- No post-grant opposition (abandoned in 2007)
 - ❖ Third-party observation
 - ❖ Invalidation: anyone within 3 months; interested parties within the patent term
- A request for restoration of lapsed design patent is only permitted if the design is being used

Republic of Korea (South Korea) — Current Status



Trademark Law

- Legal standing requirement needed for requesting cancellation of a mark due to non-use
- One-year waiting period before one may file a trademark application for a mark that was previously expunged

Republic of Korea (South Korea) — Latest Update



Patent Law

- Implemented Regulations – May 2016
- After the applicant appeals the examiner's rejection decision, the appeal fees will be returned to the applicant if the board revokes the examiner's original decision of rejection
- Also applies to designs and trademarks
- Restoration of a lapsed right for design patents is now permitted for all design rights irrespective of a use requirement

Republic of Korea (South Korea) — Latest Update



Patent Law

- Enactment of the Amendments of the Patent Law on **March 1, 2017**, among the major changes:
 - ❖ Substantive examination due date: 3 years from the date of the application
 - ❖ Allows examiner to withdraw issuance of a patent after allowance but before payment of issue fee (similar to U.S. practice)
 - ❖ Introduces a misappropriated application – enables a party who claims to own the patent rights to request a transfer/assignment of rights without going through invalidation proceeding
 - ❖ Re-introduces the post-grant opposition system (applies to patents/utility model issued after 3/1/2017) allowing anyone to file a request for cancellation with the Intellectual Property Tribunal within a period of 6 months from the publication of the granted patent/utility model
 - ❖ Allows appeal of the decision to the Patent Court

Republic of Korea (South Korea) — Latest Update



Trademark Law

- Enactment of the Amendments of the Trademark Law on September 1, 2016, among the major changes:
 - ❖ Legal standing no longer necessary for cancellation request due to non-use
 - ❖ Eliminates the on- year waiting period to file a new mark similar to an expunged mark

Republic of China (Taiwan) — Current Status



Patent Law

- Still not part of the PCT
- Absolute novelty requirement with a 6-month grace period exception for public disclosures due to experiment, journal publications or exhibitions sponsored or approved by the government
- Applies to three types of patents (i.e., invention, utility model and design)
- Special IP agreement with PRC (effective on 9/12/2010): recognizing priority of patent, trademark and plant variety applications (within 6 months)

Republic of China (Taiwan) — Current Status



Trade Secrets Law

- Last amended 4 years ago (1/30/2013)
- File suits in Taiwan IP Court (has trial and appeal levels)
- Courts can impose both criminal and civil penalties to individuals and companies if found liable
- Taiwan Fair Trade Commission may provide remedies, but may not be effective as the courts even though it has power to order alleged competitor to cease using the allegedly stolen trade secret information, impose administrative fines between 1.5k to 800k USD + additional fines up to 1.6 million USD

Republic of China (Taiwan) — Latest Update



Patent Law

- Grace period for disclosure:
 - ❖ 12 months (applies to invention and utility model patent only)
 - ❖ Not required to make the showing of the exception at the time of filing (for all three types of patent)
 - ❖ No date on the effective date (law passed on 1/18/2017)
- Patent regulations are being amended to harmonize with the above amendments
- Proposed amendments to examination criteria of inventive step (or non-obviousness)

Republic of China (Taiwan) — Latest Update



Trademark Law

- Confiscation of infringed trademark product (effective 11/30/2016)

Singapore — Current Status



Patent Law

- Changed to a positive patent granting system in 2012
- Building team of patent examiners to examine patent applications
- Foreign filing license required if an inventor resides in Singapore
- Permit post-grant amendments as long as no new matter was introduced and claim scopes are extended

Singapore — Latest Update



Patent Law

- PPH program with SIPO extended to 8/31/2017.
- New regulations for post-grant amendments (6/30/2016)
 - ❖ All relevant matters in relation to the proposed amendment must be sufficiently disclosed, *i.e.*, the patent owner must sufficiently explain the reasons for the amendment
 - ❖ No unreasonable delay on the part of the patentee in seeking the amendment, *i.e.*, the patentee has to file an amendment as soon as becoming aware of new prior art which might affect the patent's validity
 - ❖ Patentee has not gained an unfair advantage by delaying the amendment

Strategic Comments



Strategic Comments

Patent Law

- If you have a Chinese subsidiary filing a patent application in both China and U.S./EU, etc., it might be economical to file a PCT application first as local and provincial governments provide subsidies on the PCT filing fees (about 30%)
- Strategic use of utility model patents in these countries
- Some business method patents may become patent eligible in China in the future – another filing strategy if you are facing problems with the USPTO

Strategic Comments

Trademark Law

- For China/HK/TW/SG/JP, you must have a Comprehensive and Consistent Trademark Strategy!
 - ❖ Reason → These countries use some variations of Chinese characters, some of them even identical. If one of the jurisdictions is where you wish to obtain protection, you may need to implement the same approach

Strategic Comments

Trademark Law

- Specifically, if your target market include both Taiwan and PRC, to take advantage of the special priority agreement, you would want to file both traditional version and simplified version in both places in case the difference between the Traditional and Simplified is significant to maintain priority, see below:

Traditional

Simplified

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Strategic Comments

Trademark Law

- Majority of Chinese population still does not read English, so a mark in Chinese language is preferred!
- Given that a greater number of Chinese-speaking students are studying in the U.S., consider applying for Chinese characters in the U.S.
- Remember Michael Jordan's trademark victory in December 2016?

Strategic Comments

Evidence preservation

- The Asian Five countries do not have the equivalent of a discovery process in litigation
- But, upon timely request, a court may issue a preservation order for safekeeping the evidence which may be very helpful in calculating of damages

Thank you!

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