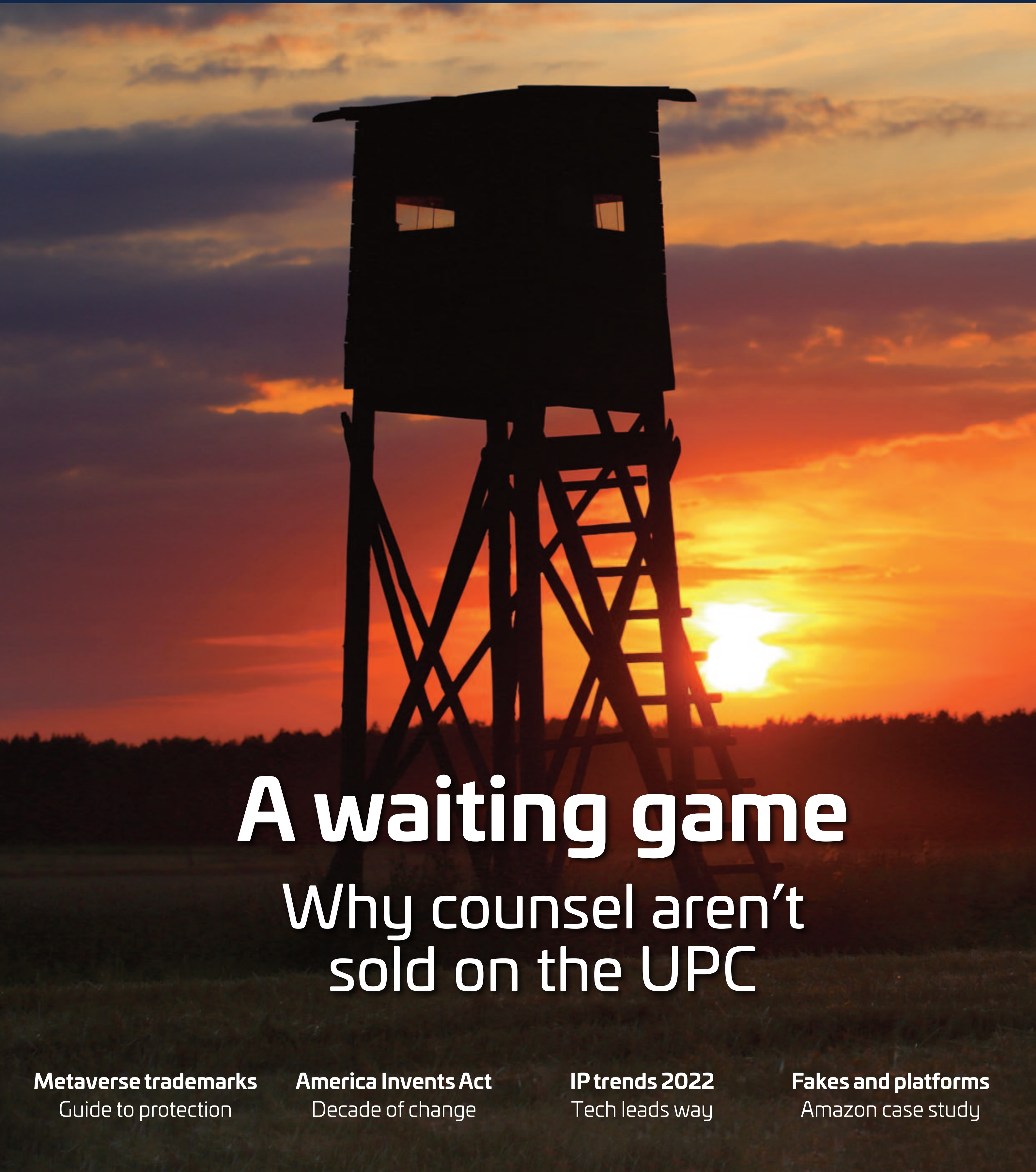
Managing IP

Spring 2022 | ManagingIP.com | Issue 293



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Uncertain future for UPC

Our latest quarterly PDF leads on the Unified Patent Court, a project that has been tantalisingly close for so long now that its launch still seems more like fiction than reality. However, as the new court really does appear to be on the path to creation – probably by early next year – intellectual property stakeholders are beginning to dust off their notebooks and revise what it all means for them.

The problem for those running the UPC is that any appetite for the new project and its associated unitary patent doesn't appear to be healthy – at least from in-house counsel. There is marginally more desire from non-practising entities, but even they want to watch from the side-lines and see how things pan out before they act. In short, everyone is waiting for everyone else to make the first move.

This, I think, should worry those working to implement the UPC. A huge amount of time and resources have been focused on bringing the court to life. It has faced many twists and turns, not least a long-running constitutional saga in Germany. It will, unbelievably, be 10 years in February 2023 since the UPC Agreement was signed in Brussels. A decade on, the countries and authorities backing this new framework must be very careful that it doesn't become a white elephant, because there is a risk of that happening – at least at first.

In the long term, I suspect, the UPC has a strong chance of becoming a hub for European patent litigation as companies become familiar with the new system. But there's no telling how many years we will have to wait. In the meantime, the metaverse and blockchain are also hot topics in IP, as are diversity and inclusion and the America Invents Act – and you can read expert articles on these issues and many more in the following pages.

The crisis in Ukraine is also having a major impact on IP, with several law firms and IP offices cutting ties with Russia and the Russian government responding to sanctions by blithely removing core IP legal protection. We at Managing IP are watching with horror the suffering of the Ukrainian people amid the unconscionable invasion of their country. Although we and our parent company Euromoney Institutional Investor are stopping all business in Russia both with customers and with suppliers, Managing IP's journalists are continuing to report on events as they pertain to IP.

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@managingip linkedin.com/company/managing-ip

Managing IP

Euromoney Trading Limited
4-8 Bouverie Street
London, EC4Y 8AX
T: +44 20 7779 8682
F: +44 20 7779 8500
mip@managingip.com

SUBSCRIPTIONS
Head of subscriptions
Tolu Babalola
+44 (0) 20 7779 8165
tolu.babalola@euromoneyplc.com

CUSTOMER SERVICES
+44 (0) 20 7779 8610

EDITORIAL
Managing editor Ed Conlon
Commercial editor
Lorraine Yardley
Americas editor Patrick Wingrove
Senior reporter Max Walters
US reporter Rani Mehta
Asia reporter Sukanya Sarkar
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PRODUCTION
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Directors Leslie Van De Walle (Chairman), Andrew Rashbass (CEO), Wendy Pallot, Jan Babiak, Colin Day, Imogen Joss, Lorna Tilbian, Tim Pennington

ISSN 0960-5002
Managing IP is published 4 times a year for $2,980 per year by Euromoney Trading Limited.

COVER STORY

A waiting game

Despite in-house counsel and NPEs praising some aspects of the Unified Patent Court, none of them seem ready to opt in yet, as Patrick Wingrove and Rory O'Neill report

PART ONE UPC take-up likely to be poor

The Unified Patent Court has been given the ambitious target of opening for business by the end of year.

But even if it hits that goal, it might find that not an awful lot happens while patent owners wait and see how the court approaches the first few test cases.

Managing IP spoke to in-house counsel in the life sciences, digital technology, and hardware industries about how their UPC strategies are shaping up – and most say they're going to opt out at first.

The stated purpose of the unitary patent system is to streamline the process and costs for obtaining patent protection across Europe.

Perhaps the biggest efficiency gain will be in enforcement, with the UPC having the power to issue an injunction across all member states.

Despite these benefits, counsel are cautious.

No one is shutting the door on the prospect of eventually participating, but many counsel don't feel there's a case for opting in just yet, at least not with all of their most important patents.

"A lot of people are a bit hesitant to put their crown jewels in there, and would prefer to wait for test cases," says Adrian Spillmann, Vienna-based director of IP at French vaccine developer Valneva.

The opt-out mechanism allows patent owners to withdraw their European granted patents and applications from the jurisdiction of the UPC.

The opt-out can be withdrawn at any time, meaning counsel don't need to make any definitive decisions just yet.

But after a seven-year transitional period, starting when the UPC becomes operational, they won't be able to opt out again.

That still gives counsel plenty of time to decide on the future of their portfolios, and early signs are that they intend on taking that time if necessary.

One might have thought that after all this time, patent owners would be eager to try it out.

But not all patent owners have totally bought into the hype, says Darrin Shaya, UK-based director of patents for Europe at Stanley Black & Decker.

"The unitary patent is probably not a system that's of significant interest to us. We've never given it much thought and I don't think we would have missed it had it not continued," Shaya says.

Opting out

Few could say counsel haven't had time to think of what they'll do once the UPC opens its doors.

The project entered its final stage of preparations in January, after years of uncertainty over whether it would go ahead.

It faced major hurdles along the way, including constitutional complaints in Germany and the UK's decision to withdraw from the system.

The problem, counsel say, is that there wasn't much they could do in the years when it looked like the project was stuck.

It's only now that patent owners are returning to study the issue in any detail, says the head of IP at one Europe-based pharmaceutical innovator.

> ***"A lot of people are a bit hesitant to put their crown jewels in there, and would prefer to wait for test cases."***
>
> Adrian Spillmann, director of IP at Valneva

"We've been revisiting strategic discussions that first took place years ago when we thought it was going to happen," she says.

Enthusiasm for the UPC varies by industry, but one thing they all seem to have in common is an inclination to be cautious in how they use the new unitary patent system, at least at the start.

The pharmaceutical head of IP has little doubt the UPC will be a big part of her company's IP strategy in future.

"In the long term, this will be the court for our patents," she says. But even then, she predicts, the pharmaceutical industry is likely to be very cautious at the outset.

Shaya of Stanley Black & Decker's more sceptical attitude to the new system is reflected in the company's portfolio management strategy.

"Other than certain selected patents for some of our businesses, we will probably default to opting out," he explains.

Spillmann of Valneva agrees that opting out may be the default approach initially, despite his expectation that the court will be a success in the end.

"From our discussions so far, our recommendation seems to be to opt out in most instances, but maybe have a few test cases," he says.

The pharmaceutical head of IP says this is now a pressing issue for counsel, especially as opting individual European patents out could take up a lot of logistical resources.

"The first step is to review our portfolio. These discussions are live now and need to be resolved within the next three to six months," she says.

For others, though, the decision is already made. The UK-based European general counsel at one digital technology implementer says the company will "almost certainly" opt out.

"We will see how it goes. If it proves to be an astonishingly successful forum for litigating, then we'll opt back in again," he says.

Business sense

For counsel in some sectors, the decision to opt out reflects their doubts over whether they really need a unitary patent.

Companies like Stanley Black & Decker, which doesn't tend to validate European patents in many individual countries, don't have as much to gain from the unitary patent, Shaya explains.

"We tend not to need patents which are covering every European country – we're more selective, based upon business needs, competitor manufacturing location and the like," he says.

That means the cost-effectiveness of the unitary patent, often cited among the main benefits, does not really apply to companies that do not normally seek that level of coverage across Europe.

For Stanley Black & Decker's automotive assembly business, Shaya points out, filing patents in one major right-hand country and one left-hand drive nation is usually sufficient.

The digital tech general counsel says that companies in his sector build up their portfolios mostly for defensive purposes.

"The volume of applicable patents is so enormous that it is likely that everyone is infringing everyone else's patents," he says.

"If they sue us, they know we'll sue them back. The portfolio is not for generating a licensing stream," he adds.

As a result, he says, implementers see the streamlined enforcement associated with the unitary patent as more of a threat than an opportunity.

Talking to C-suite

Ultimately, in-house counsel are accountable to their boards, and the next step is to come up with some concrete recommendations about what to do about the UPC.

For Stanley Black & Decker, it will very much be a wait-and-see approach, says Shaya.

"You don't want to go to the board with patent strategy recommendations when it is too early and still potentially subject to change," he says.

"We're aware it might start up again at the end of this year, but we don't think we can do much more planning than that," he adds.

Spillmann says he expects to be giving recommendations to his management in the second quarter of this year.

"They are interested in reduced fees and less complexity, but we still have some homework to do," he says.

Counsel recognise that with the UPC possibly opening its doors this year, they need to move quickly.

But even if it does arrive that soon, don't expect patent owners to dive in head-first.

PART TWO NPEs cautiously optimistic over UPC

Non-practising entities including Dominion Harbor, Blackbird Technologies, Acacia Research and Harfang IP are once again gearing up for a busy year of deal-making.

Like last year, they're looking to take advantage of a hot patent acquisition market to build larger and stronger portfolios and spawn lucrative licensing or litigation gains. According to some sources, patent buying is even more important than last year because of an increase in litigation funding opportunities.

But perhaps unlike in previous years, these NPEs are also taking a closer look at jurisdictions outside the US – namely Europe, which will soon include an amalgamated jurisdiction for patent matters in the form of its emerging Unified Patent Court (UPC) and unitary patent system.

"The UPC is very interesting, and we've certainly been keeping our eyes open and watching developments there," says Wendy Verlander, president and CEO of Blackbird Technologies in Boston.

"We have been very focused on monetisation in the US, but having a centralised system like the UPC really opens up possibilities."

UPC appeal

For a long time, it looked like the UPC and unitary patent project might never come off.

The plan, intended to harmonise patent prosecution and litigation across most of the EU, was held up by Brexit and successive constitutional complaints in Germany's Federal Constitutional Court for about four years.

But recently it was announced that the UPC had entered its final preparatory phase, meaning that the court could open by the end of the year.

NPE counsel tell Managing IP that the court's establishment could create some attractive opportunities for them in Europe.

Marc Booth, chief intellectual property officer at Acacia in California, says his company hasn't litigated much on the continent in the past, partly because of the difficulty of managing cases between different countries with different rules. The NPE's last case there ended in 2019.

But the UPC's one-stop-shop offering would make Europe a much easier place to litigate, he says.

"We're definitely keeping the UPC in mind because we have a very large standard essential patent portfolio that could very well require us to litigate in several venues, with Europe being the second choice outside the US.

"It's a little bit of wait and see in terms of when we start to use the new system, however. I suspect it's inevitable that we'll go there but we might not want to be the first to jump in."

Christian Dubuc, president of Harfang IP in Ottawa – who doesn't currently have any cases pending in Europe – agrees that it is still a case of wait and see for the UPC, but adds that the court offers a lot of potential for his business.

"We've been planning for the UPC for a few years already – it's been coming for a while and I hope that it's the real thing now," he says. "The court is definitely something of great interest to us, though, because it would give us another way to litigate in a market comparable to China or the US.

"Europe, mainly Germany, was already interesting for us – but by themselves the European nations were very small markets compared to the US. The UPC would make patent litigation in Europe much more enticing by combining most of them," he adds.

SEP questions

Dubuc says the next step for him once the UPC is established is to work out how the court treats SEP litigation.

"There are still a lot of unknowns there, including on where these cases will be held. My understanding is that wireless tech and SEPs will be handled by a court in Paris – and if that's the case, we won't know how cases will be handled."

The UPC Agreement doesn't explicitly address whether the court has jurisdiction to decide on fair, reasonable and non-discriminatory issues, although it's expected that it will deal with these when they are presented in defence of infringement actions.

David Pridham, CEO of Dominion Harbor in Dallas, agrees that it will be important to find out how the court operates.

"I'm cautiously optimistic but I'm not fully up to speed on how the court will proceed on infringement and validity issues or SEP matters. But streamlining processes across Europe will reduce costs, and that's good."

Pridham adds that his firm has started to prepare for the effect that the UPC could have on licensing practices in Europe, noting that Dominion rarely litigates in the US and has never done so in Europe. He says he suspects the UPC will help patent owners with their licensing efforts.

"In that regard, we're certainly watching what is happening there," he notes.

Buoyant market

The creation of the UPC and unitary patent would make patent acquisition more attractive in Europe, Pridham adds, but he points out that such acquisitions may not happen in a big way until the new system is tried and tested.

In the meantime, NPEs are looking to take advantage of a market filled with high-quality patents. Pridham says his firm bought a large portfolio of Wi-Fi patents that originated with Sony and Panasonic late last year, which made him very optimistic for 2022.

"We hadn't seen anything that good on the market in several years. That gave us some optimism for other high-quality patent portfolios.

"It seems like there's more on the market now than there was a year ago. More large companies are stepping forward to sell their patents."

He adds that such patents will continue to come onto the market this year as companies look to enhance their revenues.

Those firms, Pridham notes, used to turn to patent licensing to buttress their revenues, but are finding it more difficult than before because of the way these patents tether to operating companies and the results of cross-licensing.

"Rather than just having those assets sitting on the balance sheet and not yielding a return, companies are selling some of their non-core patents to increase cashflow," he says.

Sellers step up

Booth at Acacia agrees, adding that companies are looking to supplement their revenues amid the continuing uncertainty of the COVID pandemic and have become much more receptive to selling patents.

He adds that even larger and more well-established companies that weren't well known for selling patents have started jumping on board.

"I've seen a lot more deals available recently than in the past few years," he says. "Last year was good for patent buying and this year will be more of the same."

It's just as well for NPEs looking to take advantage of the increase in litigation funding opportunities, with Dubuc at Harfang IP saying there is more pressure on the acquisition market this year as a result of the increase in litigation funding available.

All in all, it seems NPEs have a lot to look forward to in 2022: scores of lucrative patents on offer and litigation opportunities at the UPC – if they use it, of course.

Brands in the metaverse: what protection do you need?

Jessica Le Gros and Teng Rong of Baker McKenzie ask what the metaverse means for brands and filing strategies

There has been a lot of talk about the metaverse and non-fungible tokens (NFTs), and much speculation on the impact on brands. The potential for a new channel to engage with consumers, and a new mechanism to create consumer loyalty or attachment, opens opportunities.

But for IP counsel, it also brings risks, including how to future-proof the brand amid a fluid and evolving landscape.

What is the metaverse?

The metaverse is an umbrella term which describes both some current online platforms, and the promise of a future online space. It's generally accepted that it refers to a collective, open, space online, a persistent virtual environment which is immersive and provides some sort of enhanced experience.

This could be a combination of gaming platforms with virtual reality, digital currency and other infrastructure which creates an online community or culture. Some of these platforms exist, but at this point, they are not necessarily interoperable, that is, you cannot port your avatar, virtual goods or currency from one to another. But the promise is a fully convergent space which mirrors reality and is freed from the constraints of the physical world.

NFTs are tradeable units of data stored on the blockchain, and they are effectively a receipt proving

"There are potential jurisdictional issues as the metaverse may be open to consumers and brands from any or all physical locations."

the provenance of a digital asset. NFTs are a potential part of the metaverse infrastructure. They are useful for tracking ownership of digital artwork, but we are also starting to see them being used to manage brand collectables or limited edition digital products, as well as conferring membership or other benefits, or as tickets to virtual events or spaces.

The metaverse in particular offers consumers a space to engage with the brands they love. For brands with consumer-facing products, particularly wearables, metaverse participants are likely to create their own digital experiences reflecting their brand loyalty.

In combination, the metaverse and NFTs have the potential to offer brands a myriad of new ways to interact with customers. Methods already in play or contemplated include virtual versions of real-world goods, whereby virtual designer clothes, or other wearable products are worn by an avatar when in the metaverse. These items function as status symbols or differentiators for the virtual reality version of our physical presence, and are likely to be as popular as the real-world equivalent. Unconstrained by physicality, the profit margin for these goods could be significantly higher than previously.

Interactive experiences relating to the brand, such as shopping or entertainment. This could include concerts hosted by brands, supermarkets for both virtual and real-world goods, and restaurants to meet and eat virtual meals in. These could be one-off events, to which NFTs would act like tickets, or a social club with membership, or a persistent location in the metaverse where participants can visit with and meet others.

These could be closely aligned to the brands' existing category (such as a real-world restaurant offering a virtual equivalent), or may be entirely virtual.

Collaborations, sponsorship and licensing are likely to be attractive to brands with customer demographics that map well to the metaverse, offering a presence, and advertising, in a space they might otherwise not have experience of accessing.

The metaverse may also be a useful space for product demonstrations, staff training or other interactive meeting opportunities around brands, free from the requirement of physical meeting spaces, travel and scheduling requirements.

Legal concerns

As you might expect, operating in the metaverse creates a number of legal issues that brands will need to tackle.

Brands should think about consumer protection, marketing and advertising regulations, among others, as well as the potential for data privacy and security concerns to bubble up.

There are of course potential jurisdictional issues as the metaverse may be open to consumers and brands from any or all physical locations.

As with all new brand activity, IP issues are front and centre.

There are two key aspects: how to ensure that the brands are adequately protected, and how to address infringement and enforcement risks.

Brands may wish to mint, or create, NFTs (for example, limited edition digital brand artwork, or historic advertising video, or memorable brand moments). Consumers may also wish to purchase and trade NFTs minted by brands.

In relation to NFT assets, there are specific copyright issues, as while purchasing an NFT grants the right to state you own the NFT, it doesn't necessarily give ownership of the copyright in the underlying work itself. The current NFT space is presenting a number of copyright piracy issues, but there is also significant misunderstanding from consumers as to the rights attaching to NFTs, which can create infringement issues for brands.

Brands may also wish to produce virtual goods (either equivalent to their real-world products, or entirely separate), or promote their real-world goods online, or license others to produce and sell virtual goods for them.

They may also wish to collaborate and cross-promote goods and events with third parties they have not collaborated with previously.

When and where to register?

There are a number of reasons why brands existing trademark registrations may not be sufficient for use in the metaverse, or to prevent infringement.

The most critical is the question of whether trademark registrations for real world goods would enable the trademark owner to prevent the sale of the virtual goods equivalent. Currently there is little case law or registry practice as to whether these goods will be considered similar.

In many jurisdictions, the law setting out the tests for similarity of goods would not conclude that a virtual good (effectively a piece of software) is similar to the physical one.

The potential for these to be considered dissimilar is reinforced by various registries, including the UKIPO, EUIPO and USPTO, accepting applications for goods and services related to the metaverse.

The most commonly used specification terms at these registries include: class 9 covering downloadable virtual goods, namely, computer programs featuring [product] for use online and in online virtual worlds, class 35 covering retail store services featuring virtual goods, class 36 for financial services, (namely digital tokens based on blockchain technology), and class 41 covering entertainment services, including online, non-downloadable virtual [products]".

There are several reasons to consider filing additional trademark applications covering these goods and services.

It is likely that an enforcement action that can allege infringement by use of an identical mark on identical goods will be more straightforward, and more likely to succeed, than one which needs to prove the connection between the real-world goods and the use on virtual goods.

Licensing brands into the metaverse will be an enticing prospect and it will be more attractive to licence registered brands covering the relevant goods.

If brands do not register their marks in these classes, there is a risk that others will, potentially blocking entry into the metaverse. Further, brands with fan communities, will need to be in the metaverse themselves, or the fans will build their own version of the metaverse brand. Infringement, but from a place of love!

Trademark registrations publically signal an intention from the brand to establish a presence in the metaverse, which may confer a favourable impression.

However, this must be balanced against the fact that brands have regional or global registration budgets to manage.

Assuming that most brands will not consider it proportionate to register trademarks for these goods in every country in the world, where should brands focus? It's not clear right now which forums will be most appropriate to take enforcement action, and how jurisdiction will be decided in the metaverse.

Along with the difficulties of clearing existing marks for use in classes 9 and 35 (which are commonly considered crowded fields), a wide filing programme will result a wave of trademark vulnerability for non-use after between 3 and 5 years, which may not be enough time for brands to fully engage in metaverse activations sufficient to maintain the marks.

In addition, famous brands may be offered some protection by existing trademark law mechanisms such as the enhanced protection given to well-known marks and marks with a reputation against similar marks used on dissimilar goods.

There may also be unfair competition or bad-faith actions that could be taken to prevent infringement in the absence of specific metaverse goods registrations.

As a precautionary measure, brands should think about registering in key jurisdictions where platform servers may be located, high volumes of consumers are based, or larger number of infringements are likely to originate.

This is especially true, where the brand has a consumer demographic that is likely to be participating in the metaverse, and the products are particularly associated with appearance, status or have very active fanbases.

Uncharted territory

The proliferation of the metaverse, along with digital goods and digital assets such as NFTs, make it important for brands to consider the IP implications.

Brands should be aware that this is relatively uncharted legal territory without sufficient current case law or registry guidance to provide ironclad guidance, and as such, existing trademark registrations may not provide sufficient protection for use in the metaverse or to prevent brand infringement.

Brands should consider filing additional applications in key jurisdictions where metaverse platform servers, terms of use, or brand consumers, are located, but global filing programmes are likely not required.

It is not yet clear which forums will be most appropriate to take enforcement action, and how jurisdiction will be decided in the metaverse.

Brands should be aware that this may be a rapidly changing legal environment and pay close attention to new developments relating to the metaverse and other digital spaces.

Jessica Le Gros

Teng Rong

Jessica Le Gros is a partner at Baker McKenzie in London. Teng Rong is a trainee at Baker McKenzie in Toronto.

Fits like a glove? How luxury brands are embracing blockchain

A host of luxury brands are experimenting – and winning – with blockchain.
Prudence Malinki and Arun Hill of IP analytics company Clarivate explain how

The International Chamber of Commerce estimates that piracy and counterfeiting will cost the global economy $2.3 trillion by 2022. To combat this threat, businesses and brands are looking for effective ways to protect their reputation, products, and consumers from the damages of counterfeits.

Luxury brands have historically relied on certifications and more recently software tracking to validate the authenticity of their products. However, blockchain has significant potential to reform anti-counterfeiting and supply chain monitoring.

Blockchain relies on a decentralised database, storing information in encrypted 'blocks' with a tamper-proof record of events or transactions. By leveraging the key traits of the ledger – transparency, immutability and traceability – luxury brands are engaging with blockchain to ensure consumer trust while tackling the problem of counterfeit goods.

There is no shortage of examples. Vehicle manufacturer BMW has engaged with blockchain, using it as part of the supply chain to track parts and materials. In fact, BMW's engagement with blockchain has secured its inclusion in the Forbes Blockchain 50 (a list of the leading companies to deploy the technology).

Diamond jeweller De Beers is engaging with blockchain in efforts to thwart the controversies surrounding the diamond industry and blood diamonds. Its software, Tracr, traces 3D scanned diamonds, tracking the entire process from cut polish to retail. The new software has tens of thousands of stones being registered per month with more than 30 participants.

IBM has also worked with Helzberg Diamond and Richline Group to develop the Trust Chain Initiative that works with mines, manufacturers, and retailers to help certify that their jewels are ethically sourced.

In the fashion industry, luxury brand conglomerate LVMH has embraced blockchain technology to support counterfeit-fighting efforts. In 2019, in conjunction with Microsoft and software company ConsenSys, LVMH announced the launch of its AURA platform. Aura is utilised to trace LVMH luxury products and is currently deployed for a range of LVMH's brands including Louis Vuitton, Hublot, Dior and Bvlgari. In basic terms, the Aura platform works by matching a product ID with a corresponding ID given to the client. This allows products to be tracked throughout their entire lifestyle. Product care information and warranties are managed through a user-app and authenticated with a QR code. Last year also saw the addition of two further luxury brands to the consortium, Cartier and Prada.

Later in the year, Italian Luxury Brand Group, OTB, announced that they too would be participating in Aura. However, it has not been embraced by all major luxury brands – Chanel and Kering have not adopted the platform, opting instead to create their own product passports, possibly in light of transparency concerns. Still, by and large it appears that competing luxury brands are willing to band-together to implement "smarter" anti-counterfeit measures.

Aura is evidence of how blockchain is not only useful to undermine counterfeiting of luxury products by providing transparency in the journey from manufacture to public consumption. It also improves relationships and communication between the luxury sector and consumers, thereby enhancing the quality of luxury products, their components and the processes of creation. There is also scope and potential for blockchain technologies to promote more sustainable practices and ethical manufacturing methods.

Sustainability concerns

Despite the promise of blockchain and its far-reaching applications, the technology is not without problems and the discourse is not clear-cut.

This is clearly illustrated in relation to its own environmental credentials for instance. On the one hand, blockchain makes it easier to determine what goes into products and can help decide where they end-up. By verifying the use of raw materials, associated supply chains and ethics of a luxury product, blockchain can improve accountability, drawing-in an even larger footprint of potential consumers.

On the other, it requires significant computer processing power, raising questions about the net sustainability of these technologies. There are also potential system vulnerabilities. QR codes, for example, can be taken from genuine products to be used on fakes to give them credibility.

Further concerns have been raised over the accuracy of the data provided by suppliers into blockchain. More recently, however, the use of near-field communication (NFC), when combined with internet of things sensors, has shown promise in alleviating these concerns and adds 'real-time' supply chain analytics into the mix.

Nonetheless, the regulatory and legal landscape for these technologies is still evolving. At the moment, blockchain remains largely unregulated, and crypto currencies – themselves enabled by blockchain – are increasingly facing sanctions and recriminations across the globe. While these are certainly important considerations for any brands deciding whether to adopt distributed ledgers, there are still strong justifications for engaging with blockchain to promote trust and securely authenticate products.

This seems to point towards the potential for the technology to be more sustainable than not, providing its

"There is also scope and potential for blockchain technologies to promote more sustainable practices and ethical manufacturing methods."

"At present there is a thriving blockchain domain market, which is also subject to infringements and unauthorised third-party registrations."

energy consumption is adequately balanced with the benefits of the technology.

In 2021 luxury brands turned their attention to non-fungible tokens (NFTs) and developed entire collections for the metaverse. Not only are NFTs being recognised as products, but they have important implications for counterfeit goods. Consumers may be offered 'tokens' as an incentive or in addition to, purchasing authenticated physical products. Gucci, for example, held a virtual exhibition on the online gaming platform Roblox where players could purchase real products using in-game currency.

Popular computer game Fornite has collaborated with fashion company Balenciaga to create a line of fashion apparel using in-game currency. Karl Largerfeld's NFT collection even sold out in less than an hour. NFTs do pose a risk to brands if they are unauthorised. Luxury brand Hermès has potentially experienced this first-hand, when allegedly, an unauthorised third-party began creating NFT versions of its famous Birkin bag, which were being traded through the crypto asset marketplace OpenSea. As it stands, there may be very little redress for customers who purchase fake NFTs. While in principle, they are treated as property in English law, their legal status is still uncertain, and the prospect of regulatory intervention and even additional taxation loom large.

Blockchain is also inextricably connected with the world of IP. After all, one of the most intuitive applications of blockchain technology is in the reformed IP registries, cataloguing ownership information. Third party and supplier licences can even be managed through the same ledger. This is particularly useful for proving ownership of copyright works because they can come into existence automatically. For luxury brands, this means better enforcement of IP rights. Armed with an immutable record of ownership and equipped with data, it is clear that brand protection teams and consumers stand to benefit from distributed networks. It's likely we'll see increasing activity from the domain name industry, with registrars engaging more with crypto and blockchain through blockchain domains and taking a more consultative approach with luxury brands to assist them in navigating this emerging landscape.

Blockchain domains can currently be used to send cryptocurrency as well as creating decentralised websites. At present there is a thriving blockchain domain market, which is also subject to infringements and unauthorised third-party registrations. With the Internet Corporation for Assigned Names and Numbers reminding the public to exercise caution with what they're calling 'non-DNS domains' we predict domain registrars will be taking a more engaged role with blockchain domains to support brands.

There is no denying that blockchain technology is in its infancy and as such, there are reservations about its use. But even its critics will admit it does have advantages. Luxury brands have begun to capitalise on the promise of blockchain – increasing oversight, enhancing customer experiences and reducing the likelihood of fraud.

In 2022, the pivot towards the metaverse will re-constitute a new reality for the luxury sector. So, while the landscape for counterfeiting and fraud will continue to evolve, it seems distributed networks will still be around for next season.

Prudence Malinki

Arun Hill

Prudence Malinki is senior manager for global industry relations at Clarivate. Arun Hill is an analytics consultant at Clarivate.

Navigating a decade of the America Invents Act

Ken Korea, principal at Colev Law and former head of Silicon Valley IP at Samsung, delves into the history and future of the Patent Trial and Appeal Board

It's been more than 10 years now since Congress enacted the America invents Act to improve patent quality.

Most pundits predicted that the most important change would be the shift to a first-to-file system from a first-to-invent system. Hardly anyone paid attention to the new type of proceeding called the inter partes review (IPR) that would replace the existing inter partes re-examination.

This lack of attention was understandable. Despite the numerous similarities between reexams and IPRs, the former was not a resounding success, and there was no reason to suspect that its replacement would fare any better.

IPR popularity

But IPRs became wildly popular. The number of IPR petitions filed grew from 17 in 2012, the first year of availability, to a peak of 1,812 in 2017 and then levelled off to an annual average of 1,500.

So far, nine years in, 12,607 petitions have been filed at the Patent Trial and Appeal Board (PTAB). By comparison, just 1,919 requests for reexam were filed during the system's 13-year existence.

So why did IPRs become so popular when their reexam counterparts flopped?

Many would claim that IPRs' high 'kill rate' was the main factor. In the early years, 72% of final written decisions (FWDs) invalidated all instituted claims and 15% invalidated some of the instituted claims, representing an 87% invalidity success rate.

But that can't be the full story. Reexam also had a high invalidity rate of 94% – 34% of all challenged claims were cancelled or disclaimed and 60% of the challenged claims were changed.

Besides, the IPR invalidity rate is coming down. USPTO statistics showed that the invalidity rate for 2020 was 62% for all instituted claims and 18% for some of the instituted claims.

The institution rate may be another reason for IPRs' popularity. Similar to the invalidity rate, however, the institution rate started out high at 87% in 2013 but gradually dropped to 56% by 2020.

Reexam grant rates, on the other hand, started out at 95% and stayed there.

Where IPR stands out over reexam is time to the final decision. Although reexams are meant to be handled "with special dispatch" by the USPTO, the overall median pendency for reexam (filing date to certificate issue date) was 39.6 months and the overall average pendency was 44.2 months.

By contrast, every IPR has to be completed within 12 months from the date of institution, with a six-month extension for good cause, under the AIA.

Given that it takes an average of 30 months for a district court patent case to get to trial, IPR affords the defendant in a district court litigation an opportunity to resolve the invalidity issue before district court trial.

There are other significant differences between IPR and reexam that may explain the former's rising popularity apart from the time to the final decision.

The creation of the PTAB, comprised mostly of former patent litigators, to review IPRs could have made practitioners more willing to use the IPR proceeding.

The availability of discovery in the IPR proceeding such as mandatory initial disclosures, document production and deposition testimony may have been a contributing factor, as it has turned the IPR into a truly adversarial process.

The cost could also have been important. Patent litigation typically costs several million dollars per case, whereas IPRs cost several hundred thousand dollars.

Perhaps, it is the combination of all these factors that made IPRs popular with defendants in district court litigation.

PTAB pushback

As much as IPRs became popular with defendants, however, they became loathed by patent plaintiffs and owners.

Patent owners' sentiment towards IPR was probably best summed up in the comments of Randall Rader, then the chief judge of the Court of Appeals for the Federal Circuit, who called the PTAB a "death squad" in a newspaper interview.

The first pushback against the PTAB came in the form of criticism against "serial petitions".

Patent plaintiffs complained that defendants gained an unfair advantage by filing one IPR petition after another against the same patent.

They also complained that defendants engaged in "gang-tackling", a practice of several defendants filing separate petitions against the same patent.

Defendants responded that the word limit for each petition necessitated filing more than one petition against the same patent when they had to defend against multiple claims. They also pointed out that when a patent plaintiff sued multiple defendants with the same patent, each defendant had a right to file its own IPR under the AIA.

The persistent controversy, however, led to the PTAB's commissioning of an internal study in 2017.Some of the key findings were that 84.8% of patents were challenged by a single petitioner, 87.2% of patents challenged at the PTAB were by one or two petitions, and 95% of the petitions were filed in a given petitioner's first round.

Without concluding whether these findings showed the existence of a widespread serial petitions problem, the PTAB in 2018 put the General Plastic factors into its Trial Practice Guide, to be considered when dealing with multiple IPR petitions, and began denying petitions it deemed serial petition attempts under these factors.

Although it is not clear whether there existed any widespread serial petition problem in the first place, the PTAB's subsequent study found that, after the issuance of the General Plastic guideline, attempted serial petition rate dropped from the high of 7% in 2016 to 2% in 2020.

Along came NHK-Fintiv

The second significant change was discretionary denial under Section 314a in Title 35 of the US Code.

By 2017, close to 85% of all patents in IPRs had a parallel district court litigation.

The courts often stayed the parallel litigation if the IPR was instituted on the patent(s) in suit, leading patent owners and defendants to fight hard over institution.

Then, the PTAB issued a precedential decision in NHK Springs in May 2019 to deny institution of an IPR on the basis that the trial in the parallel district court proceeding was scheduled to take place prior to the statutory due date for the FWD.

The PTAB reasoned that it would be a waste of its resources if the district court were to make the invalidity finding before the PTAB panel could issue a FWD.

Defendants criticised the NHK Springs decision on the grounds that the district court trial date was often subject to change and said court would often stay the parallel district court litigation pending the resolution of the IPR proceeding if instituted.

Nonetheless, in May 2020, the PTAB consolidated factors from NHK Springs with other similar PTAB cases and came up with a list of factors, referred to as Fintiv factors, for deciding discretionary denial.

Under Fintiv, the PTAB denied 84 petitions in 2019, 167 in 2020 and 105 through September 2021.Combining them with discretionary denials with General Plastic denials, the numbers go up to 121 in 2019, 201 in 2020 and 136 through September 2021.

Restoring the AIA

Several defendants pointed out that a significant percentage of institution denials were based on procedural grounds rather than on merits as a result of Fintiv.

They complained that the AIA was enacted to allow defendants to contest the validity of patents efficiently and expeditiously through IPR, and the PTAB's discretionary denial practice was contrary to that purpose.

Recently, senators Patrick Leahy and John Cornyn introduced the Restoring the America Invents Act (RAIA).

It has several provisions that deal with the Arthrex decision and expand the scope of IPR, but the key provision is a legislative override of Fintiv.

The RAIA seeks to take away the current Fintiv discretionary denial from the director by requiring that "a petition that meets the requirements of this chapter shall be instituted". The director would no longer be able to use Fintiv factors to deny institution of an otherwise meritorious petition.

It is an open question whether the RAIA will pass. Patent owners, defendants and their respective allies have already staked out their positions for and against the act.

The spirit of cooperation that made the passage of the AIA possible 10 years ago is hard to find this time around.

Robust patents needed

If we step back and ask why patent owners and defendants fight so hard over IPRs and other post-grant reviews, the answer comes down to patent quality.

Many defendants are willing to pay a reasonable price for valid patents that cover their products and services. They are not willing to do so, however, when faced with low quality patents.

On the other hand, many patent owners resent the fact that the patents they obtained after a considerable sum of money and time are now subject to IPRs and post-grant reviews.

Once a patent issues, it comes with presumption of validity and administrative correctness.

IPRs unceremoniously set aside such protection and expose their patents to the danger of being invalidated 60% of the time.

It costs several hundreds of thousands of dollars to defend patents in the IPR. Adding insult to injury, should the patent owner lose, the USPTO is not going to refund all the application fees and maintenance fees paid by the patent owner.

The real issue here is that a patent issued by the USPTO should be able to withstand post-grant review.

As the statistics show, a typical patent put in IPR cannot, at least 60% of the time.

What is the solution? Should a patent application go through IPR-type scrutiny during regular examination?

Certainly, a more thorough prior art search and examination by multiple examiners could bring a regular examination closer to the IPR.

Some argue that doing so would be an inefficient use of USPTO resources in light of the fact that only 3% of patents ever get litigated.

Others argue that the more cost-efficient way is to put off examination of any patent altogether until it is asserted in litigation, essentially turning it into a utility model.

Whatever the solution may be, the conflicts between patent owners and defendants will likely continue until the issue of patent quality is addressed.

Ken Korea

Ken Korea is a principal at Colev Law in Silicon Valley.

Amazon case study: how to hold online markets to account on fakes

A recent case marks important progress in holding online marketplaces like Amazon accountable for counterfeit and infringing products made available through their channels, say Jeffrey Berkowitz, Danny Awdeh and Sonja Sahlsten of Finnegan

In December 2021, a noteworthy counterfeiting case against Amazon came to an end. While the case settled before trial, the plaintiff Maglula (represented by Finnegan) achieved a major legal victory when it defeated Amazon's motion for summary judgment. That decision offers valuable lessons on proving patent infringement using representative products as well as holding online marketplaces like Amazon accountable for trademark counterfeiting and infringement for products offered through its 'third-party' marketplaces.

Maglula, the maker of the popular Uplula universal pistol magazine loader, filed suit against Amazon in 2019, accusing it of patent infringement, trademark counterfeiting, trademark infringement, and copyright infringement based on Amazon's offers for sale and sales of counterfeit and knockoff magazine loaders.

Amazon mounted a vigorous defence, which began with its failed motions to dismiss the case, to transfer the case from the Eastern District of Virginia (the so-called 'rocket docket') to the Western District of Washington, and to compel arbitration. Maglula prevailed on all three motions, and the case proceeded in the Eastern District of Virginia.

Following discovery during the pandemic, which included a first-of-its-kind order permitting Maglula to inspect Amazon facilities for counterfeits, Amazon moved for summary judgment on several patent and trademark claims.

"This case marks an important step forward in holding online marketplaces like Amazon accountable for counterfeit and infringing products offered and sold through their channels."

But the court denied Amazon's motion and explained that it was a "straightforward counterfeit case" and "simply not a case where Amazon can deflect liability." The court was clear that Amazon's chances of prevailing at trial were slim when it indicated that not "even the most persuasive presentation of Amazon's evidence would make one iota of difference to a jury" and again stated that this "is simply not a case where Amazon can avoid liability."

The court ordered the parties to mediation, and they eventually reached a settlement. The court's order on Amazon's motion for summary judgment was a key legal victory for Maglula and is instructive to others affected by counterfeit sales in e-commerce.

Patents and representative products

One of the most fiercely litigated issues in the case was Maglula's use of representative products to prove infringement. US Court of Appeals for the Federal Circuit precedent allows patentees to prove infringement through representative products. In *TiVo v EchoStar* (2008), the court said: "There is nothing improper about an expert testifying in detail about a particular device and then stating that the same analysis applies to other allegedly infringing devices that operate similarly, without discussing each type of device in detail."

Nevertheless, Amazon insisted throughout the litigation that Maglula could not rely on representative products and instead needed to prove infringement of every single individual accused product separately. This position was particularly egregious when the products at issue were counterfeits and knockoffs (copies) of the genuine Uplula loader and thus the same as one another.

Early in discovery, Amazon moved to compel Maglula to provide an infringement claim chart for each and every accused product. Maglula opposed and explained why representative charting was routinely permitted and appropriate in this case. Following a hearing on the motion to compel, the court agreed with Maglula and did not require Maglula to provide an infringement chart for each accused product.

In the meantime, Maglula and its expert inspected thousand*s* of accused products, including products that Maglula was able to obtain from Amazon customers and products that Maglula was permitted to inspect in Amazon fulfilment centres around the US. Maglula's expert grouped the products into nine classes of accused products based on certain criteria. Four of the classes were counterfeit products bearing the 'Uplula' name and five were knockoff products with names like 'Magload', 'UpLood', 'QBLoader', and 'Castellan', or had no name at all. Maglula's expert provided a claim-by-claim and limitation-by-limitation patent infringement analysis of one product in each class and further opined that, except for the 'Castellan' products, all accused goods in the other eight classes were structurally and functionally the same, both within and across classes, and infringed in the same way as the inspected representative products.

Amazon, for its part, was unable to identify any material differences between the products Maglula inspected and the uninspected products. During fact discovery, Maglula served an interrogatory seeking Amazon's non-infringement contentions and twice moved to compel a complete response. Maglula's second motion to compel requested Amazon's full factual basis for its contention that the accused products were not structurally and operationally the same for purposes of infringement. But, other than a minor difference with the 'Castellan' product, Amazon and its expert never identified any structural or operational differences between the accused products that mattered for the purposes of patent infringement.

Examples of infringing products found

Despite all the evidence that the accused products were the same for the purposes of infringement, Amazon moved for summary judgment of non-infringement of the goods that Maglula had not been able to inspect. Maglula opposed and explained that it had properly relied on representative products and proven infringement of the uninspected ones through representativeness. In its opposition, Maglula also relied on information that appeared on Amazon's website to show that products having the same Amazon Standard Identification Number are the same. Finally, Maglula noted that it did not have the opportunity to inspect some of the accused products because Amazon destroyed them.

In the end, the court denied Amazon's motion for summary judgment and ruled that Maglula was not required to show on a product-by-product basis that every single product had been infringed and instead may "show that a representative sample has been infringed upon."

With this battle over, the representativeness issue offers valuable lessons for patent owners facing counterfeiting in e-commerce. To reduce their liability by obscuring the true scale of infringement, online marketplaces may argue that each individual product must be inspected and requires a separate proof of infringement. This argument may have superficial appeal if there are different 'types' of counterfeits or knockoffs with different branding from different manufacturers. It will almost always be impossible for patent owners to inspect each and every product, especially those that have already been sold. But if, like here, the accused goods are structurally and operationally the same for the purposes of patent infringement, patent owners should be reassured that the court validated the use of representative products to prove infringement.

Counterfeiting claims

Historically, Amazon and other online marketplaces have argued (mostly successfully) that they should not be directly or secondarily liable for the sales of counterfeit or infringing goods by third parties on their platforms. Much of the case law in this area contemplates antiquated trading venues like flea markets and in-person auctions – not the sophisticated machinery and virtually endless resources behind Amazon's online marketplace and back-end operations. It has long been time for the law to catch up, and Maglula presented a compelling opportunity for it to do so.

"The court denied Amazon's motion and explained that it was a 'straightforward counterfeit case' and 'simply not a case where Amazon can deflect liability'."

In its summary judgment motion, Amazon argued that it could not be secondarily liable for trademark infringement or counterfeiting for sales by 'third-party' sellers through its Fulfillment by Amazon or Merchant Fulfilled Network programmes. In opposition, Maglula put forth ample evidence that Amazon is not an uninvolved middleman simply offering a platform for third party sellers, but rather "controls all aspects of the advertising and sales process" with its selling partners. For example:

- Amazon has sole discretion to determine the content, appearance, design, functionality, labelling, and all other aspects of its listings.
- Amazon can redesign, modify, remove, or restrict access to any listing.
- Amazon controls the fulfilment and distribution process by, for example, determining which selling partners appear on Amazon's website (and, accordingly, which selling partner receives payment for an order) at any given time.
- Amazon controls communications between its selling partners and customers.
- Amazon collects fees from its selling partners and may also, at any time, in its sole discretion and without notice, suspend, prohibit, or remove product listings associated with Amazon and its selling partners.
- Amazon also controls aspects of processing payments, order cancellations, returns, and refunds for products sold on Amazon.com.

For these reasons, and others, Maglula argued that there were genuine disputes of material fact as to whether Amazon was secondarily liable for trademark counterfeiting and infringement.

The court concluded that Maglula had raised genuine issues of material fact as to whether Amazon and its 'third-party' sellers have a relationship that allows for Amazon to be secondarily liable for their sales of counterfeit or infringing products, meaning that Maglula could proceed to trial on that theory.

Intellectual property law is not the only area where courts may consider holding online marketplaces liable for the sales of 'third-party' sellers. In products liability cases (for example, *Bolger v Amazon*, 2020, and *State Farm Fire & Casualty v Amazon*, 2019), courts have begun to hold online marketplaces responsible for such conduct. IP owners should take note of these developments in other areas of the law because courts may find the principles underlying these product liability cases persuasive in IP cases.

This case marks an important step forward in holding online marketplaces like Amazon accountable for counterfeit and infringing products offered and sold through their channels. The underlying facts of each case are critical, but as Maglula demonstrated in this instance, online marketplaces are vulnerable. At the same time, legislation and consumer awareness are critical to protecting brand owners like Maglula and consumers from marketplaces that are not doing enough to rid their channels of counterfeit products and those known to sell them.

Jeffrey Berkowitz

Danny Awdeh

Sonja Sahlsten

Jeffrey Berkowitz and Danny Awdeh are partners, and Sonja Sahlsten an associate, at Finnegan, which represented Maglula in the case against Amazon.

Countdown to UPC begins: here's how businesses can prepare

With the Unified Patent Court possibly up and running by the end of 2022, companies – even those without large patent portfolios – should be preparing now, say lawyers at Herbert Smith Freehills

On January 19 2022, enough EU member states had ratified the protocol to the Unified Patent Court Agreement for the protocol to have come into effect, meaning that the new European patent package of the UPC and unitary patent right could commence by the autumn – as long as preparation time estimates released by the UPC Preparatory Committee prove to be accurate.

Businesses need to act now to prepare, even if they are not patent-heavy companies. The stakes are high, because the UPC will have the power to order pan-European injunctions and/or damages and also to revoke patent protection across much of Europe in a one-stop-shop.

The advent of the UPC is not simply a concern for businesses that have historically been involved in patent litigation; even those without major patent holdings that might otherwise not feel the new system could adversely affect them could equally still find themselves on the receiving end of pan-European infringement brought by third parties.

The size of the combined market that can be affected by litigation in the UPC is likely to cause businesses to reassess the risk-reward ratio for enforcement of patents, particularly where previously it may not have been thought worth the time and money to enforce a European patent portfolio through national proceedings in many jurisdictions in parallel.

While it will be possible for patentees to opt their European patents out of the new system, businesses that do so will still be at risk of being drawn into the UPC as a defendant to infringement proceedings and could end up facing a claim for a pan-European injunction and/or damages.

Despite the coming into force of the UPC, there will be a continued role for multi-jurisdictional European patent litigation across Europe since not all 27 member states are yet taking part in the system (17 so far with seven yet to ratify and three that have declared that they will not) and there is a transitional period of at least seven years in which the current system will continue in parallel. UK courts may also find themselves employed as a first line of action to obtain relatively quick and well-reasoned decisions that might create strategic pressure on UPC proceedings.

Businesses in all sectors should be acting now to consider the implications of this new system, including whether to opt patents out and reviewing technology licences-in and licences-out in relation to the UPC.

Final preparations

The General Secretariat of the Council of the European Union declared that the Protocol on Provisional Application of the UPC Agreement entered into force on January 19 2022, after Austria deposited its instrument of ratification of the protocol, giving legal capacity to the court and allowing the provisional application period to commence. This allows final preparations to be made for the start of the UPC, safe in the knowledge that enough states have committed to be part of the new system to enable it to commence. Preparations will include the setting up of the functional committees, which will run the new court system, the recruitment and training of judges, the practical arrangements for the new court locations, and finalisation of the UPC Rules of Procedure.

There is not a prescribed timeframe for this provisional application period but the UPC Preparatory Committee has commented that the preparations will take at least eight months. Germany is waiting for the court to be ready before depositing its instrument of ratification of the UPC Agreement, as this is the last step required to trigger the fixed period after which the UPC will commence (on the first day of the fourth month after the month in which Germany deposits). It is unclear whether Germany will wait until everything is in place and ready to deposit (thereby adding another three to four months of delay) or will anticipate the readiness of the court three months prior when depositing (the preparations and UPC fixed run-up period, running in parallel in that case). On the latter basis the earliest the court could start would be early autumn 2022; on the former, this might be more in the region of early spring 2023.

Transitional arrangements and opt-out

During the transitional period, it will be possible to opt European patents (EPs) out of the jurisdiction of the UPC. Opt-outs will apply to all designations of the EP – in other words, the patentee cannot choose to opt some country designations 'out' but leave others 'in'. There are various strategic implications to the choice of whether to opt patents out, mainly based on the patentee's confidence in the new system and the relative importance of the patent to the patentee's commercial position. The so-called 'sunrise period', during which requests for opt-out can be made and processed in advance of the UPC start date, will commence shortly after Germany deposits its instrument of ratification of the UPC Agreement, which will trigger the three-to-four-month fixed run-up period at the end of which the UPC will start accepting proceedings.

The existence of the dual jurisdiction of national and UPC courts during transition means that opting out is the only way to achieve certainty over the forum in which an EP will be litigated. This is because a patent that has not been opted out could be litigated in either a national court or the UPC, even if the proprietor wished to use the UPC.

The UPC will be a forum of considerable uncertainty, at least for the first few years, with multiple jurisdictional and other issues to be ironed out and an unknown and changing set of judges hearing cases. Nevertheless, businesses should also consider proactively engaging with it to have the ability to try to influence the direction in which the case law develops. The transitional arrangements allow patentees to use the new system or the current national one, and this should provide some comfort and confidence to them and help to engage them in using the new court to the extent it works well for them.

Get prepared

Patentees should review the registers to ensure that all ownership details on their EPs are accurate. It will only be the owners of the patents that are able to opt them out the UPC's jurisdiction; licensees (exclusive or otherwise) will not be able to do so. Where an EP is co-owned, that EP can only be opted out if all owners agree to do so. Businesses should engage with co-owners now to ensure there is agreement on opt-out strategy to avoid last-minute disputes that might prevent a successful opt-out when the opportunity arises in the sunrise period.

Communication with licensees is also advisable to explain opt-out plans; equally, for key licensed-in technology, businesses may want to understand the patentees' plans and perhaps negotiate with them on this depending on their view of the UPC and its potential impact on their commercial arrangements. Again, early discussion and agreement will be preferable.

In relation to the dual jurisdiction period, consultation with exclusive licensees and other licensees with rights to bring actions will be imperative to control which forum the patent is litigated in first.

It is also worth noting that where a patent is opted out from the UPC's jurisdiction, that opt-out can subsequently be withdrawn if the patentee decides that it wishes to make use of the UPC, unless proceedings have already begun in a national court while the opt-out was in force. In that situation, the opt-out cannot be withdrawn. Similarly, a patentee that initially decides not to opt a patent out of the UPC system could still do so at any point within the transitional period unless proceedings have already been brought in the UPC in relation to that patent, at which point the patentee loses its ability to opt out. Thus, patentees will need to pay close attention to these issues to avoid being caught in a situation where they have less flexibility than they may have anticipated.

Lenders who have taken patents as security may also be interested in whether or not those patents are opted out, and this may affect the perceived value of the patent, both to those involved in providing funds secured by them or to current or future licensees.

Even if businesses are not intending to enforce any of their own patents in the UPC, that does not mean that they can wash their hands of the new system. The risk of being sued by a third-party patentee remains, and businesses should consider reviewing competitor patent portfolios to assess this risk sooner rather than later and consider whether any pre-emptive action might be taken to mitigate any risks identified.

Unitary patent status

As well as providing a new forum for litigation of 'traditional' EPs (i.e. bundles of national rights), the new UPC system will allow EPs to be granted with unitary effect (known as unitary patents). The application procedure will be the same as for any EP, with unitary effect to be requested within one month of grant.

The EPO has recently issued guidance on transitional measures which will, in due course, help patentees with patents coming to grant immediately before the UPC starts to delay that grant to allow them to elect that those patents can have unitary effect. There are also mechanisms to allow application for unitary effect to be made in advance for patents coming to grant on, or immediately after, the UPC start date so that these patents can be given unitary effect immediately on grant.

As a practical matter, it will be important to have clarity on the ownership of patents in this context, since the conversion to unitary effect requires the agreement of all co-owners in order to be effective.

The principal place of business (domicile) of the first named applicant on a patent will become particularly significant where unitary patents are concerned, with complex rules determining the national law of property to be applied to a unitary patent on the basis of its applicants, not its owners. Where no applicant has a strong enough connection to an EU member state participating in the UPC and unitary patent system, the default law of property will be German. This could apply where a patent has, for example, only a US and/or UK applicant listed. Businesses should consider carefully the relevant Unitary Patent Rules and the national laws that would apply, and consider whether they wish to adapt or reorder the named applicants to achieve a particular national law or property or avoid another.

The UK and beyond

While the UK has withdrawn from the prospective UPC system following Brexit, it will remain an important market for most companies. It is therefore likely that there will be UK litigation in parallel with enforcement in the UPC. The English courts may also be used strategically to obtain a detailed, reasoned decision with useful findings of fact (based on any disclosure and cross-examination), which could then be leveraged in the UPC provided that first-instance decisions of the High Court can be obtained quickly enough.

Pan-European patent enforcement will remain a multi-forum activity even when the UPC is in place due to the numbers of European Patent Convention states not included in its jurisdiction. To enforce a patent across 'Europe', patentees will need to use fora other than just the UPC, including Spain, Switzerland and the UK, which are outside the new system – either because they have stated they have not ratified the UPC Agreement (and have declared they will not be) or because they are not EU member states and are therefore excluded. Add to this those EU member states that have not fully ratified the UPC Agreement yet (seven, including Ireland, at the time of writing) and it becomes clear that patent enforcement will continue to require some engagement with national actions on top of UPC proceedings to cover all the major European markets or true 'pan-European' reach.

Sebastian Moore | Ina vom Feld | Laura Orlando | Frederic Chevallier | Andrew Wells | Rachel Montagnon

Sebastian Moore, Ina vom Feld, Laura Orlando and Frederic Chevallier are partners, Andrew Wells a senior associate, and Rachel Montagnon a professional support consultant, at Herbert Smith Freehills.

What does USPTO director review really change?

Ha Kung Wong at Venable and April Breyer Menon of April Breyer Consulting delve into the practical implications of the US Supreme Court's ruling in *US v Arthrex*

After the US Supreme Court created the director review procedure in June 2021 with its *US v Arthrex* opinion, a key concern for practitioners was the practical effect the new process might have on inter partes review and post-grant review proceedings.

To find out exactly what kind of impact the decision had, we examined what happened in the first five months after the director review was established.

We looked at the status of the cases placed in abeyance before SCOTUS's decision, the outcomes of the requests for director review, additional cases presenting constitutional issues with post-grant proceedings, and the future of director reviews.

The USPTO issued guidance on the newly created director review procedure in June 2021, along with answers to frequently asked questions.

Parties to IPR and PGR proceedings could request that the director review the final written decision (FWD) or seek a panel rehearing decision, if it was granted, within 30 days of those respective decisions. However, parties could not request both.

But if a panel rehearing was granted, a party could then request that the director review the panel's rehearing decision. The director could also initiate sua sponte (when a court takes action on its own motion) review of any FWD or FWD rehearing decision.

"Of those PTAB petitions that had already received decisions on their review requests, one was granted and nine were denied."

The USPTO head could review any issue, including fact and law, and would review the case de novo (when a court decides an issue without deference to a previous court's decision).

While no criteria were set forth for when the director would grant a request for review, USPTO guidelines suggested that requests might include "material errors of fact or law, matters that the board misapprehended or overlooked, [and] novel issues of law or policy".

Issues on which Patent Trial and Appeal Board (PTAB) panel decisions were split, issues of particular importance to the office or patent community, and inconsistencies with office procedures, guidance, or decisions might also be included, according to the USPTO.

The first 100

At its outset, the director review process affected more than 100 cases placed in administrative abeyance since May 1 2020 that were awaiting a determination from SCOTUS on whether they needed to be reviewed again by new panels of administrative patent law judges (APJs).

The abeyance was officially lifted on October 26 2021, and we reviewed each of these cases to determine their status.

We found that of the 100 IPRs and PGRs listed, 12 settled before the implementation of *US v Arthrex*, four settled without requesting review, one proceeded in its appeal on the merits, 73 had the abeyance lifted and are currently pending, and 10 received decisions on their requests for review (as of November 30 2021).

Of those pending, 27 are awaiting a decision on their request for director review, and it remains to be seen whether any of the other 46 will file a request.

Of those that had already received decisions on their review requests, one was granted and nine were denied.

Overall, then, since the director review procedure was implemented, there had been 132 requests as of November 30 2021 – 75 of these were denied, one was granted, one was granted in part, one was withdrawn, and 54 are still awaiting a decision.

The time to decision by the director averaged 47.6 days, with the shortest time being 12 days and the longest being 93 (in three related IPRs).

The one decision that was granted took 62 days, and the one granted in part took 79 days.

While, based on very preliminary data, the grant rate of 20% (two of 10) is not high for decisions taking longer than 60 days, it is much higher than the 0% grant rate for decisions taking less than 60 days.

Therefore, it's possible that requests that are pending longer may have a better chance of an actual written director opinion, which may lead to more granted requests.

Every denial so far has been issued without opinion, but it's probably too early to draw any reliable trends from the available data.

Drew Hirshfeld, the de-facto acting director for the USPTO, granted review in part in *Ascend Performance Materials Operations v Samsung SDI* and remanded the case for the PTAB to address whether two claims were entitled to their provisional application's priority date.

The matter was also remanded to address their patentability in view of the appropriate filing date, because the initial FWD did not specifically address these claims, and under *Lucent Techs v Gateway*, "patent claims are awarded priority on a claim-by-claim basis based on the disclosure in the priority applications".

The director declined to review the FWD based on Samsung's other arguments, including that the board fashioned its own ground of review in violation of the Administrative Procedure Act.

In the second review grant in *Proppant Express Investments v Oren Technologies*, the director remanded the case for the board to "weigh any evidence of record showing that the patented invention itself, in addition to any unclaimed elements, contributes to the commercial success and praise".

He did so after finding the case to be substantially similar to one the Court of Appeals for the Federal Circuit vacated and remanded for a similar legal error of failing to consider objective evidence of non-obviousness.

Little consequence?

Since the director has granted only two of 77 requests for review (2.6%) and written only two opinions, it has been difficult to determine what types of challenges will be taken up in the future, but it's possible he or she (soon to be she) will be more inclined to review issues of law than fact.

Thus far, reviews have proceeded in a similar manner to requests for rehearing, in that they are rarely granted.

In fact, if the grant rate of less than 3% of requests continues, they may be granted even less frequently than rehearings, which have been accepted about 10% of the time.

As a result, the director review process may prove to be of little consequence, other than to delay a final decision in all but a handful of cases.

Those who have lost PGRs have not allowed the denial of director review to end their efforts to overturn the PTAB's decisions.

There have already been a number of additional constitutional challenges to the PGR process at the PTAB, and more are likely.

So far, the Federal Circuit has determined that cases closed before Arthrex in which there are no appointments clause challenges raised are not eligible to be reopened in light of the Arthrex edict. An exception may be requests based on changed circumstances or newly discovered evidence.

Other constitutional challenges, such as arguments that APJs with an impermissible financial interest in instituting America Invents Act proceedings and having the same panel institute and render a final decision violates due process, have similarly failed at the Federal Circuit.

Future issues

A possible future issue will be whether the director review process will need to be extended to cover institution decisions.

Discussed by Judge Pauline Newman in her dissent in Mobility Workx, institution decisions are final and nonappealable, but are rendered by inferior officers without oversight by the director, which "appears likely to violate the appointments clause".

This may provide an avenue for those seeking to challenge institution decisions, an area SCOTUS and the Federal Circuit have spoken on numerous times – including in *Thryv v Click-to-Call* and *Apple v Optis* – reiterating that judicial review is not available for institution decisions.

One contested issue awaiting an opinion from the Federal Circuit in *VirnetX v Mangrove Partners Master Fund* is whether acting director Hirshfeld has the authority to render opinions under the appointments clause.

It has been argued that as an official performing the functions and duties of the director who was not appointed by the president and confirmed by the Senate, he is an inferior officer and his opinions suffer from the same constitutional issue as those of APJs that created the director review process in the first place.

Of the 132 requests for director review, at least 73 (55%) have noted this issue in their requests.

Opinions from an acting USPTO chief may not be an issue for too much longer, because President Joe Biden nominated Kathi Vidal from Winston & Strawn for the position in late October 2021. But Hirshfeld's past decisions remain.

Congress is also concerned with the new director review process. On September 30 2021, Senator Patrick Leahy introduced the Restoring the America Invents Act to address the potential for politicisation of director opinions, which requires a written opinion by the USPTO chief setting forth the reasons for the review, modification, or setting aside of the FWD.

While there is always the possibility of the politicisation of opinions, this bill may not change much in the way of PTAB practice, because it is unlikely the director would change the outcome of a FWD without a written opinion, and so far has not issued any opinions of his own, only remanding cases to the PTAB.

However, requiring a written opinion could encourage guidance on how issues where various panels have diverged should be reviewed or decided.

Since the director has not agreed to review many cases, it is unlikely that requiring a written opinion on those that are reviewed would be overly burdensome, but it could potentially delay the time to a final decision.

Although director review has had the potential to significantly disrupt post-grant proceedings, so far it has changed very little and has at least temporarily delayed final resolution in over 100 cases.

Since it seems the USPTO head will be very selective in the cases reviewed, the new procedure appears to do little more than increase the time and expense involved in post-grant proceedings, unless Vidal or future directors change course and begin to review a greater percentage of decisions.


Ha Kung Wong


April Breyer Menon

Ha Kung Wong is a partner at Venable in New York, and April Breyer Menon is founder of April Breyer Consulting in Chicago.

International Women's Day: how the UKIPO is addressing gender imbalances

UKIPO CEO Tim Moss says increased diversity in STEM and IP won't happen overnight, but his organisation is taking steps in the right direction

The UK Innovation Strategy sets out the vision for the UK to be a global hub for innovation by 2035. By turning world-leading science and ideas into solutions, the UK aims to become a science superpower. The role of the UK Intellectual Property Office (UKIPO) is to make life better through IP, and intellectual property is key to increasing the impact of these solutions and achieving commercial success. To do this and make the most of creativity and innovation, we need to ensure the IP framework is accessible and effective for everyone. Then we can ensure the best ideas and technologies are able to drive economic growth and improve society for us all.

However, research carried out by the UKIPO suggests that we are falling short of that goal. Between 1998 and 2017, the proportion of female inventors worldwide only rose from 6.8% to 12.7%. The proportion of patent applications that named a woman among their inventors rose from 12% to 21% over the same period, and the proportion of applications with at least as many female inventors as males rose from 3% to 8%. Although we're moving in the right direction, how can we go faster? In biotechnology, pharmaceuticals and organic chemistry women have contributed to approximately half of patent applications, so what can we do to help other sectors catch up?

There are a number of reasons why women are underrepresented in many science, technology, engineering and maths (STEM) careers, and by extension in some

"Our mean gender pay gap, which is a consequence of the gender split within our higher paid specialist roles, is coming down."

fields of IP such as patents. According to Women in Tech, influences during education mean that 80% of boys who study beyond GCSE level study a STEM subject, compared to 35% of girls. And according to UCAS data, 35% of STEM students in higher education in the UK are women. The language used in job adverts and role descriptions can be dissuasive, and an under-representation of women in visible STEM and leadership roles can be off-putting. How can we put this right?

The UKIPO has a strong record of taking steps towards a more inclusive future. We use outreach programmes to increase interest in STEM and IP in schools and colleges including specific events for girls to experience science hands-on, run by our staff. We have helped over a thousand people to learn computer programming in conjunction with Code First Girls, a social enterprise. We also work with organisations such as Women in Science and Engineering and the Government Science and Engineering Profession to share experiences and resources to improve prospects for those looking to join, or already in, STEM and IP roles. Last year we offered six out of seven places to women on our STEM returners programme for people looking to close a career gap, and we are about to launch a cross-government mentoring scheme for women in STEM roles. We also have a commitment to our people to be a brilliant place to work, which includes a range of flexible working options and staff networks for women and carers, among others, to support people with their work-life balance and offer a safe space to share and talk.

Diversity goals

Increasing diversity in STEM and IP won't happen overnight, but it is happening. Women occupy 22% of STEM roles in the UKIPO, compared to 19% in 2020, and as a result our mean gender pay gap, which is a consequence of the gender split within our higher paid specialist roles, is coming down. It has reduced from 22% to 18% over the last four years. But there's a long way to go, which is why we are continuing to stretch our ambitions and work with organisations such as IP Inclusive to make and sustain change through outcome-focused leadership and practical actions on the ground.

As Andrea Brewster, lead executive officer of IP Inclusive, said: "We know women are not yet well enough represented in IP – as inventors and creators, IP owners or the professionals who support them – but we also know there's a strong desire throughout the UK's IP sector to change that for the better. The greater our gender diversity, the more innovative and productive we will be. So IP Inclusive has been delighted to work alongside the UKIPO to improve access to the IP professions for women and ensure they can flourish when they're here."

By working in collaborations and partnerships, embedding inclusive behaviours, role-modelling personal allyship and delivering practical actions, we believe we can improve gender equality in IP.

On International Women's Day, March 8, the UKIPO is proud to publish a joint statement with other national intellectual property offices and the EPO to pledge support for women in creativity and innovation. The theme is "gender equality for a sustainable tomorrow", and the participating offices are committed to share ideas, resources and successes to increase access to IP for all genders.

The UKIPO is aiming to help make STEM the right choice for more people, and to improve awareness and understanding of IP as a career and as a valuable tool for innovation and creativity. By taking more steps in the right direction, we aim to tip the gender balance in favour of everybody.

Tim Moss

Tim Moss is CEO of the UKIPO.

Tech self-sufficiency leads top five IP trends for 2022

Andrew Blattman of IPH picks five IP trends that barely existed two years ago but will affect stakeholders across Asia-Pacific and beyond

While annual intellectual property themes in the past have been heavily influenced by the trends of a particular jurisdiction, in 2022 we will see global trends, accelerated by the pandemic, set to make the biggest impact.

Below are the top five IP trends you can expect to see in 2022.

1 Technological self-sufficiency

The pandemic has created a global focus on supply chain disruption and a greater focus on deglobalisation and protecting sovereign self-sufficiency. A powerful example of this has been the pandemic's impact on global semiconductor shortages and the race between the US, China and the EU to develop their own capabilities.

Adding to the self-sufficiency focus are tensions between China, the US and other parts of the world, not only in technology but also in areas like lithium and other metals needed for growth industries like electric vehicles.

In Australia, Prime Minister Scott Morrison recently announced a $2.4 billion 'Economic Accelerator Program' designed to address low levels of commercialisation of research. While Australia's deficiency in this area is not new, the global focus on sovereign capability and manufacturing has never been more heightened.

Countries focusing more on their own self-sustainability will see further segmentation of the global market and technology IP becoming a basis for trading or overcoming obstacles to supply.

2 Navigating Web 3.0

Organisations are now having to consider how they manage their IP assets in the third generation of the internet, in a world where artificial intelligence (AI), augmented reality and virtual reality and blockchain-based decentralisation are re-shaping how we engage online. We have known this has been coming, but in 2022 we will see organisations start to make the types of investments that reflect that the future is here and the risk and opportunity for IP is real.

For intellectual property, we will see this momentum play out in a number of ways. First, there will being a growing wave of companies following Nike and Gucci's lead and trademarking brands and products for use in both the real and virtual worlds. Organisations and their IP teams will need to navigate current classifications in a new way or lobby legislators to update traditional classifications to ensure assets in the virtual world are protected.

Inventors, creators, musicians and artists will continue to look to non-fungible tokens (NFTs) as a way of creating new markets. In 2021, $22 billion was spent on NFTs, up from $100 million in 2020, and we can expect growth to be exponential again in 2022. This growth is creating a whole raft of new IP implications. For sellers, it means adhering to robust copyright permissions about what is and isn't to be sold; for platforms it means having policies in place to police the buying and selling; and for brands, it means working with vendors who can help track infringements online.

3 The rise of AI

In 2021, Australia made history by becoming the first jurisdiction in the world to recognise AI as an inventor in a patent application. While the Companies and Intellectual Property Commission of South Africa followed suit, many jurisdictions including the US, UK, Germany, Europe and most recently New Zealand have rejected the same application.

While not all jurisdictions agree on this particular patent application, the role of AI in innovation and invention is only likely to increase and continue to create new challenges.

AI may eventually be considered a hypothetical 'person' skilled in the field relevant to the assessment of whether the claims of a patent provide an inventive step, thus leading to an argument for an increase in the threshold for inventiveness. Patent laws and regulations in relation to both inventorship and derivation of entitlement may require adjustment in many jurisdictions to keep pace with advancements in technology.

4 US-China tensions to drive demand for IP in the Australasian region

The trade tensions between the US and China, with technology at the heart, will create a surge of demand for IP globally.

The Biden Administration has flagged a resetting of its science and technology agenda with the new US Strategic Competition Bill, which is designed to strengthen American competitiveness with investments in science and technology, global infrastructure, digital connectivity and cyber security.

This investment in technology, combined with China's focus on sovereign technology capability, will play out globally as both superpowers look to protect their positions.

We can expect the impact to be felt not only in primary IP markets like the US, China, Korea, Japan and Europe, but in secondary ones like Australia as the US and China look to file global patent protections.

5 Cleantech to increase momentum

I expect that we will start to see a material rise in global cleantech investment in 2022. To date, the level of activity has been disproportionate to the level of global conversation.

The World Economic Forum recently released its *Global Risks Report 2022* with the number one long-term risk identified by global CEOs being the threat of climate action failure.

However, this risk, which has been building over many years, hasn't always been reflected in innovation output such as patent filings.

According to WIPO data published in 2020, international patent filings for renewables started on a decline after hitting a peak in 2012.

Fortunately, we are seeing growth recover, albeit at a pace slower than the conversation, with 2019 filings still around 40% lower than what they were in 2012.

The compound annual growth rate (CAGR) of filings from 2012 to 2019 was -6%. However, looking at the last three years of this period, there was a notable turnaround of a positive CAGR of 5%. In Australia, more recent data from IP Australia shows growth of 9% in 2021 compared to calendar year 2020, another positive increase on the 1% CAGR over the period 2012 to 2019.

Exciting re-shape

Two years ago, in a lifetime before the pandemic, these trends either didn't exist or were barely green shoots. However, the pandemic has forced countries to focus inwards, accelerated global digital capability and adoption, and re-prioritised sustainability. As we forge further into 2022, these trends will present new risks and opportunities forcing an exciting re-shaping of how we protect intellectual property.

Andrew Blattman

Andrew Blattman is managing director and CEO of IPH, a network of IP services firms across Asia-Pacific including AJ Park, Applied Marks, Griffith Hack, Pizzeys, Spruson & Ferguson and WiseTime, which is listed on the Australian Securities Exchange.

IP STARS rankings 2022: the top firms for trademark work

Managing IP is delighted to reveal the IP STARS 2022 rankings of the leading firms for trademark work. This is the first set of ranking results for the 2022 edition of IP STARS, a research project which started in September 2021. The rankings over the following pages cover more than 20 jurisdictions and are organised by region.

Managing IP published its first legal directory in 1994 and rebranded it in 2013 as IP STARS. The publication quickly established itself as the leading specialist guide to IP law firms and practitioners worldwide. The research for IP STARS covers a variety of IP practice areas and more than 70 jurisdictions, making it the most comprehensive and widely respected guide in the IP profession.

IP STARS is not a directory of all firms and individuals offering IP services. Participation in our research does not guarantee ranking.

Congratulations to all the firms listed this year.

Research methodology

The research for these rankings was conducted rigorously and impartially by our team of research analysts in London, New York and Hong Kong. Each year we request information from thousands of firms, IP practitioners and their clients through interviews, email and online surveys.

Before compiling the rankings, our analysts also conducted their own independent research, including an analysis of publicly available information (such as court or IP office data) and existing data we hold on firms. The aspects assessed for the firm rankings include expertise, workload, market reputation/record, outcomes achieved for clients, and unique strengths in a given practice area. Judgements about which firms to include in the rankings, and which tier and practice area they should be in, take account of all this information.

Firms are ranked alphabetically in tiers, or as highly recommended or recommended. The total number of firms listed varies from jurisdiction to jurisdiction. For most jurisdictions, the rankings are split into prosecution and contentious work. However, in certain jurisdictions we evaluated and ranked firms for their trademark practice as a whole.

The prosecution ranking takes account of pre and post-registration work including office proceedings and portfolio management advice. The contentious ranking covers trademark-related disputes (in and outside the courts) and anti-counterfeiting work. Where appropriate, some firms have been ranked for both practice areas and in a few European jurisdictions we have a separate table for law firms that do trademark filing/prosecution work.

These rankings are based on information available at the time the research was completed (February 2022). Except for firm name changes, any subsequent developments or information that could influence our rankings will be considered during the research for the 2023 edition of IP STARS, which starts in September 2022.

For the avoidance of doubt, the ranking tables do not suggest or indicate that the expertise or services of the listed firms are limited to the practice area in question, and Managing IP does not recommend or endorse any particular firm for IP work. No firm can pay to be included or to influence the results.

The IP STARS rankings are not influenced by any commercial relationship, including advertising, with Managing IP or IP STARS. There is no fee to pay to participate in our research. The rankings are subject to change each year. Please visit **ipstars.com** to learn more about our research.

What to expect next

The jurisdictions in this issue represent only a fraction of the trademark rankings we have for this year. Readers will find the trademark rankings for other jurisdictions on **ipstars.com**. We will reveal the 2022 firm rankings for patent work in the summer issue of our magazine. More 2022 rankings, including the practitioner rankings and copyright rankings, will be available on **ipstars.com** so bookmark it and check it regularly for the latest updates and announcements. Managing IP will also publish two digital print editions of IP STARS this year.

If you have any feedback or questions about IP STARS, please contact the research editor Kingsley Egbuonu at **kingsley.egbuonu@managingip.com**.

BRAZIL

TRADEMARK CONTENTIOUS

TIER 1
Daniel Law
Dannemann Siemsen
Gusmão & Labrunie
Kasznar Leonardos
Montaury Pimenta Machado & Vieira de Mello

TIER 2
Barbosa Müssnich Aragão (BMA)
Bhering Advogados
Licks Attorneys

TIER 3
David do Nascimento Advogados Associados
Di Blasi Parente & Associados
Guerra IP
Luiz Leonardos & Advogados
Pinheiro Neto Advogados
Trench Rossi Watanabe
Veirano Advogados

OTHER NOTABLE FIRMS
Ariboni Fabbri & Schmidt
Fialho Salles Advogados
Soerensen Garcia Advogados Associados

TRADEMARK PROSECUTION

TIER 1
Daniel Law
Dannemann Siemsen
Gusmão & Labrunie
Kasznar Leonardos

TIER 2
Barbosa Müssnich Aragão (BMA)
Bhering Advogados
Di Blasi Parente & Associados
Montaury Pimenta Machado & Vieira de Mello

TIER 3
David do Nascimento Advogados Associados
Demarest Advogados
Guerra IP
Licks Attorneys
Luiz Leonardos & Advogados

OTHER NOTABLE FIRMS
Ariboni Fabbri & Schmidt
Felsberg Advogados
Soerensen Garcia Advogados Associados
Vaz e Dias Advogados & Associados

CANADA

TRADEMARK CONTENTIOUS

TIER 1
- Gowling WLG
- Smart & Biggar

TIER 2
- Bereskin & Parr
- Borden Ladner Gervais
- Kestenberg Siegal Lipkus
- Norton Rose Fulbright
- Osler Hoskin & Harcourt

TIER 3
- Bennett Jones
- Blake Cassels & Graydon
- Cassels Brock & Blackwell
- DLA Piper
- Marks & Clerk
- McMillan
- Robic
- Torys

OTHER NOTABLE FIRMS
- Aird & Berlis
- CPST Intellectual Property
- Deeth Williams Wall
- Fasken
- McCarthy Tétrault

TRADEMARK PROSECUTION

TIER 1
- Bereskin & Parr
- Borden Ladner Gervais
- Gowling WLG
- Smart & Biggar

TIER 2
- Bennett Jones
- Norton Rose Fulbright
- Osler Hoskin & Harcourt
- Robic

TIER 3
- Baker McKenzie
- Cassels Brock & Blackwell
- CPST Intellectual Property
- Deeth Williams Wall
- Fasken
- Marks & Clerk
- McCarthy Tétrault
- McMillan
- Ridout & Maybee
- Torys

OTHER NOTABLE FIRMS
- Aird & Berlis
- Blake Cassels & Graydon
- DLA Piper
- Lavery

MEXICO

TRADEMARK CONTENTIOUS

TIER 1
- Arochi & Lindner
- Basham Ringe y Correa
- Olivares
- Uhthoff Gómez Vega & Uhthoff

TIER 2
- Calderón & De La Sierra
- Goodrich Riquelme y Asociados
- Hogan Lovells
- TMI Abogados

TIER 3
- AVA
- Baker McKenzie
- Dumont
- Iberbrand
- Mendez + Cortes
- Müggenburg Gorches y Peñalosa

OTHER NOTABLE FIRMS
- Panamericana de Patentes y Marcas
- Santamarina y Steta
- Von Wobeser & Sierra

TRADEMARK PROSECUTION

TIER 1
- Arochi & Lindner
- Basham Ringe y Correa
- Olivares
- Uhthoff Gómez Vega & Uhthoff

TIER 2
- Becerril Coca & Becerril
- Calderón & De La Sierra
- Dumont
- Goodrich Riquelme y Asociados
- Mendez + Cortes
- Panamericana de Patentes y Marcas

TIER 3
- AVA
- Baker McKenzie
- Hogan Lovells
- Legarreta y Asociados

OTHER NOTABLE FIRMS
- C&L Attorneys
- ClarkeModet
- Iberbrand
- Santamarina y Steta
- SPECIFIC IP
- TMI Abogados


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UNITED STATES

TRADEMARK CONTENTIOUS

TIER 1
- Debevoise & Plimpton
- Fross Zelnick Lehrman & Zissu
- Kelly IP
- Kilpatrick Townsend & Stockton
- Kirkland & Ellis
- Pirkey Barber

TIER 2
- Cooley
- Cowan Liebowitz & Latman
- Fenwick & West
- Finnegan Henderson Farabow Garrett & Dunner
- Pattishall McAuliffe Newbury Hilliard & Geraldson
- Proskauer

TIER 3
- Arnold & Porter
- Crowell & Moring (fka Brinks Gilson & Lione)
- DLA Piper
- Dorsey & Whitney
- Fish & Richardson
- Greenberg Traurig
- Katten Muchin Rosenman
- Knobbe Martens
- Loeb & Loeb
- Orrick Herrington & Sutcliffe
- Quinn Emanuel Urquhart & Sullivan
- Sheppard Mullin Richter & Hampton

TRADEMARK PROSECUTION

TIER 1
- Fenwick & West
- Fross Zelnick Lehrman & Zissu
- Kelly IP
- Kilpatrick Townsend & Stockton

TIER 2
- Arent Fox
- Cowan Liebowitz & Latman
- Finnegan Henderson Farabow Garrett & Dunner
- Haynes and Boone
- Pattishall McAuliffe Newbury Hilliard & Geraldson
- Perkins Coie
- Pirkey Barber

TIER 3
- Baker McKenzie
- Crowell & Moring (fka Brinks Gilson & Lione)
- Dorsey & Whitney
- Foley & Lardner
- Greenberg Traurig
- Holland & Hart
- Hunton Andrews Kurth
- K&L Gates
- Katten Muchin Rosenman
- Knobbe Martens
- Ladas & Parry
- McDermott Will & Emery
- Merchant & Gould
- Norton Rose & Fulbright
- Pillsbury Winthrop Shaw Pittman

AUSTRALIA

TRADEMARK CONTENTIOUS

TIER 1

- Allens
- Ashurst
- Corrs Chambers Westgarth
- Gilbert + Tobin
- Herbert Smith Freehills
- King & Wood Mallesons

TIER 2

- Baker McKenzie
- Clayton Utz
- Davies Collison Cave
- MinterEllison

TIER 3

- Addisons
- Banki Haddock Fiora
- Bird & Bird
- DLA Piper
- Griffith Hack
- Norton Rose Fulbright
- Phillips Ormonde Fitzpatrick
- Spruson & Ferguson

OTHER NOTABLE FIRMS

- Gadens
- K&L Gates
- McCullough Robertson

TRADEMARK PROSECUTION

TIER 1

- Davies Collison Cave
- FB Rice
- Griffith Hack
- Phillips Ormonde Fitzpatrick
- Spruson & Ferguson

TIER 2

- Allens
- Ashurst
- Baker McKenzie
- Banki Haddock Fiora
- Clayton Utz
- DLA Piper
- Herbert Smith Freehills

TIER 3

- Addisons
- Bird & Bird
- Corrs Chambers Westgarth
- Gilbert + Tobin
- King & Wood Mallesons
- Madderns
- Wrays

OTHER NOTABLE FIRMS

- Halfords IP
- IP Gateway
- K&L Gates
- Macpherson Kelley
- McCullough Robertson
- Norton Rose Fulbright
- Sparke Helmore

CHINA

TRADEMARK CONTENTIOUS (DOMESTIC FIRMS)

TIER 1

- Fangda Partners
- King & Wood Mallesons
- Wanhuida Intellectual Property

TIER 2

- CCPIT Patent and Trademark Law Office
- Chang Tsi & Partners
- JunHe
- Kangxin Partners
- LexField Law Offices
- Unitalen Attorneys at Law
- Zhong Lun Law Firm

TIER 3

- Beijing East IP
- China Patent Agent (HK)
- Han Kun Law Offices
- Hylands Law Firm
- IntellecPro
- Lawjay Partners
- Lifang & Partners
- Liu Shen & Associates
- Watson & Band
- Zhongzi Law Office
- ZY Partners

OTHER NOTABLE FIRMS

- An Tian Zhang & Partners
- AnJie Law Firm
- Beijing Sanyou Intellectual Property Agency
- DeHeng Law Offices
- Lung Tin Intellectual Property Agent
- Shanghai Patent & Trademark Law Office
- Tahota Law Firm

CHINA

TRADEMARK PROSECUTION (DOMESTIC FIRMS)

TIER 1
- CCPIT Patent and Trademark Law Office
- King & Wood Mallesons
- Wanhuida Intellectual Property

TIER 2
- Chang Tsi & Partners
- China Patent Agent (HK)
- Kangxin Partners
- LexField Law Offices
- Liu Shen & Associates
- NTD Intellectual Property Attorneys
- Unitalen Attorneys at Law

TIER 3
- An Tian Zhang & Partners
- Beijing Janlea Trademark Agency
- Beijing Sanyou Intellectual Property Agency
- China Sinda Intellectual Property
- IntellecPro
- Shanghai Patent & Trademark Law Office
- Zhongzi Law Office

OTHER NOTABLE FIRMS
- Advance China IP Law Office
- AFD China Intellectual Property Law Office
- Beijing East IP
- China Science Patent & Trademark Agent
- JunHe
- Lung Tin Intellectual Property Agent

CHINA

TRADEMARK (FOREIGN FIRMS)

TIER 1
- Baker McKenzie FenXun
- Hogan Lovells
- Rouse

TIER 2
- AWA
- Bird & Bird
- Deacons
- DLA Piper
- Jones Day
- SIPS
- Wilkinson & Grist

TIER 3
- Gowling WLG
- Mayer Brown
- Norton Rose Fulbright
- Simmons & Simmons
- Spruson & Ferguson
- Vivien Chan & Co

OTHER NOTABLE FIRMS
- Perkins Coie

HONG KONG SAR

TRADEMARK CONTENTIOUS

TIER 1
Baker McKenzie
Bird & Bird
Deacons

TIER 2
Ellalan
Hogan Lovells
Mayer Brown
Robin Bridge & John Liu
Wilkinson & Grist

TIER 3
DLA Piper
Jones Day
MinterEllison
Norton Rose Fulbright
Vivien Chan & Co

OTHER NOTABLE FIRMS
CMS
Simmons & Simmons
SIPS

TRADEMARK PROSECUTION

TIER 1
Baker McKenzie
Deacons
Wilkinson & Grist

TIER 2
Marks & Clerk
Rouse
Spruson & Ferguson

TIER 3
Bird & Bird
Hogan Lovells
Mayer Brown
Robin Bridge & John Liu
SIPS
Vivien Chan & Co

OTHER NOTABLE FIRMS
AWA
DLA Piper
Ellalan
Norton Rose Fulbright
Simmons & Simmons

INDIA

TRADEMARK CONTENTIOUS

TIER 1
- Anand and Anand
- K & S Partners
- Rahul Chaudhry & Partners
- Remfry & Sagar

TIER 2
- Fidus Law Chambers
- Inttl Advocare
- Lall & Sethi
- RK Dewan & Co
- RNA
- Saikrishna & Associates
- Singh & Singh

TIER 3
- Khaitan & Co

OTHER NOTABLE FIRMS
- AZB & Partners
- Scriboard
- WS Kane & Co
- ZeusIP

TRADEMARK PROSECUTION

TIER 1
- Anand and Anand
- K & S Partners
- Remfry & Sagar
- RK Dewan & Co

TIER 2
- LexOrbis
- Rahul Chaudhry & Partners

TIER 3
- Inttl Advocare
- Kan & Krishme
- Krishna & Saurastri Associates
- Lall & Sethi
- RNA
- Saikrishna & Associates
- Singh & Singh

OTHER NOTABLE FIRMS
- Beruar & Beruar
- Chadha & Chadha
- Khaitan & Co
- Lakshmikumaran & Sridharan
- Obhan & Associates
- SS Rana & Co
- ZeusIP

JAPAN

TRADEMARK CONTENTIOUS (DOMESTIC FIRMS)

TIER 1
- Nakamura & Partners
- TMI Associates
- Yuasa and Hara

TIER 2
- Anderson Mori & Tomotsune
- Kubota
- Nishimura & Asahi

TIER 3
- Mori Hamada & Matsumoto
- Ohno & Partners

TRADEMARK PROSECUTION (DOMESTIC FIRMS)

TIER 1
- Nakamura & Partners
- TMI Associates
- Yuasa and Hara

TIER 2
- Asamura Patent Office
- Kubota
- Sugimura & Partners

TIER 3
- Aoyama & Partners
- Fukami Patent Office
- Seiwa Patent & Law
- Shiga International Patent Office

OTHER NOTABLE FIRMS
- Kyowa Patent and Law Office
- Soei Patent & Law Firm

TRADEMARK (FOREIGN FIRMS)

HIGHLY RECOMMENDED
- Baker McKenzie
- Hogan Lovells

RECOMMENDED
- Jones Day

NEW ZEALAND

TRADEMARK CONTENTIOUS

TIER 1
- AJ Park

TIER 2
- Buddle Findlay
- Dentons Kensington Swan
- James & Wells
- Simpson Grierson

TIER 3
- Chapman Tripp
- Hudson Gavin Martin
- MinterEllisonRuddWatts

TRADEMARK PROSECUTION

TIER 1
- AJ Park
- James & Wells

TIER 2
- Dentons Kensington Swan
- Ellis Terry
- Henry Hughes Intellectual Property
- Simpson Grierson

TIER 3
- Buddle Findlay
- Chapman Tripp
- Hudson Gavin Martin
- MinterEllisonRuddWatts
- Potter IP

OTHER NOTABLE FIRMS
- Infinity IP
- Ironside McDonald IP

MALAYSIA

TRADEMARK CONTENTIOUS

TIER 1
- Shearn Delamore & Co
- Skrine
- Wong & Partners (Baker McKenzie)
- Zaid Ibrahim & Co

TIER 2
- Chooi & Company + Cheang & Ariff
- Christopher & Lee Ong
- Lee Hishammuddin Allen & Gledhill
- Rahmat Lim & Partners
- Wong Jin Nee & Teo

TIER 3
- Gan Partnership
- Law Partnership
- Raja Darryl & Loh
- Shook Lin & Bok
- Tay & Partners

OTHER NOTABLE FIRMS
- Sreenevasan Advocates & Solicitors

TRADEMARK PROSECUTION

TIER 1
- Henry Goh & Co
- Shearn Delamore & Co
- Skrine
- Wong & Partners (Baker McKenzie)

TIER 2
- Advanz Fidelis IP
- KASS International
- Marks & Clerk
- Wong Jin Nee & Teo
- Zaid Ibrahim & Co

TIER 3
- Chooi & Company + Cheang & Ariff
- Gan Partnership
- Mirandah Asia
- Rahmat Lim & Partners
- Raja Darryl & Loh
- Shook Lin & Bok
- Tay & Partners

TAIWAN

TRADEMARK CONTENTIOUS

TIER 1
- Lee and Li Attorneys at Law
- Saint Island International Patent & Law Offices

TIER 2
- Baker McKenzie
- Formosa Transnational
- Tai E International Patent & Law Office
- Tsar & Tsai Law Firm
- Winkler Partners

TIER 3
- Eiger
- Jones Day
- Tsai Lee & Chen

TRADEMARK PROSECUTION

TIER 1
- Lee and Li Attorneys at Law
- Saint Island International Patent & Law Offices
- Tai E International Patent & Law Office

TIER 2
- TIPLO
- Tsai Lee & Chen
- Winkler Partners

TIER 3
- Baker McKenzie
- Eiger
- Tsar & Tsai Law Firm

OTHER NOTABLE FIRMS
- Asian Pacific Int'l Patent & Trademark Office
- Formosa Transnational
- Top-Team International Patent and Trademark Office
- Wisdom International Patent and Law Office

SINGAPORE

TRADEMARK CONTENTIOUS

TIER 1
- Amica Law
- Baker McKenzie Wong & Leow
- Bird & Bird ATMD
- Drew & Napier

TIER 2
- Allen & Gledhill
- Dentons Rodyk & Davidson
- Ravindran Associates
- Robinson

TIER 3
- Donaldson & Burkinshaw
- Harry Elias Partnership
- Lee & Lee
- Rajah & Tann

OTHER NOTABLE FIRMS
- Shook Lin & Bok

TRADEMARK PROSECUTION

TIER 1
- Amica Law
- Baker McKenzie Wong & Leow
- Bird & Bird ATMD
- Donaldson & Burkinshaw
- Drew & Napier

TIER 2
- Allen & Gledhill
- Dentons Rodyk & Davidson
- Ella Cheong
- Ravindran Associates

TIER 3
- Francine Tan Law Corporation
- Gateway Law Corporation
- Lee & Lee
- Marks & Clerk
- Rajah & Tann
- WongPartnership

OTHER NOTABLE FIRMS
- Mirandah Asia
- Shook Lin & Bok

SOUTH KOREA

TRADEMARK CONTENTIOUS

TIER 1
- Kim & Chang
- Lee & Ko
- Yulchon

TIER 2
- Cho & Partners
- Bae Kim & Lee
- Lee International IP & Law
- Yoon & Yang

TIER 3
- FirstLaw PC
- Shin & Kim

OTHER NOTABLE FIRMS
- Darae Law & IP Firm

TRADEMARK PROSECUTION

TIER 1
- Kim & Chang

TIER 2
- Bae Kim & Lee
- Cho & Partners
- FirstLaw PC
- Lee & Ko
- Lee International IP & Law
- Yoon & Yang
- You Me Patent & Law Firm
- YP Lee Mock & Partners

TIER 3
- Muhann Patent & Law Firm
- NAM & NAM
- SungAm Suh International Patent & Law Firm

OTHER NOTABLE FIRMS
- Shin & Kim
- Yoon & Lee International Patent & Law Firm

BELGIUM

TRADEMARK CONTENTIOUS

TIER 1
- Fencer
- NautaDutilh
- Simont Braun
- Van Innis & Delarue

TIER 2
- ALTIUS
- Bird & Bird
- Crowell & Moring
- Hoyng Rokh Monegier
- Stibbe

TIER 3
- Allen & Overy
- CMS
- Fieldfisher
- Wiggin

OTHER NOTABLE FIRMS
- & De Bandt
- DLA Piper
- Inteo
- Lydian
- Petillion

TRADEMARK PROSECUTION

HIGHLY RECOMMENDED
- AWA
- De Clercq & Partners
- Gevers

RECOMMENDED
- Brantsandpatents
- Bureau M F J Bockstael
- Calysta
- Kirkpatrick
- Novagraaf

DENMARK

TRADEMARK CONTENTIOUS

TIER 1
- Bech-Bruun
- Gorrissen Federspiel
- Plesner

TIER 2
- Bugge Valentin
- Kromann Reumert
- Lundgrens
- Njord Law Firm

TIER 3
- Accura
- AWA
- Patrade
- Zacco

OTHER NOTABLE FIRMS
- Chas Hude
- Horten
- Løje IP
- Otello

TRADEMARK PROSECUTION (LAW FIRMS)

TIER 1
- Bech-Bruun
- Gorrissen Federspiel
- Lundgrens
- Plesner

TIER 2
- Njord Law Firm

TIER 3
- Arnesen IP
- Bugge Valentin

OTHER NOTABLE FIRMS
- Otello

TRADEMARK PROSECUTION PATENT & TRADEMARK ATTORNEY FIRMS

TIER 1
- AWA
- Zacco

TIER 2
- Patrade
- Plougmann Vingtoft

TIER 3
- Budde Schou
- Chas Hude

FRANCE

TRADEMARK CONTENTIOUS

TIER 1
- Armengaud Guerlain
- Candé Blanchard Ducamp
- Duclos Thorne Mollet-Viéville & Associés (DTMV)
- Gide Loyrette Nouel
- Hogan Lovells
- Hoyng Rokh Monegier

TIER 2
- Allen & Overy
- Bird & Bird
- Casalonga
- Laude Esquier Champey

TIER 3
- Baker McKenzie
- Cousin & Associés
- De Gaulle Fleurance & Associés
- Dentons
- Deprez Guignot Associés
- DLA Piper
- Herbert Smith Freehills
- Jones Day
- Momentum Avocats
- Simmons & Simmons

OTHER NOTABLE FIRMS
- ADVANT Altana
- Bardehle Pagenberg
- BCTG Avocats
- Gilbey Legal
- Reed Smith
- Taylor Wessing

TRADEMARK PROSECUTION (LAW FIRMS)

TIER 1
- Baker McKenzie
- Bird & Bird

TIER 2
- Deprez Guignot Associés
- Fieldfisher
- Gilbey Legal
- Hogan Lovells

TIER 3
- Marchais & Associés
- Simmons & Simmons
- Taylor Wessing

TRADEMARK PROSECUTION (PATENT & TRADEMARK ATTORNEY FIRMS)

TIER 1
- Cabinet Beau de Loménie
- Germain & Maureau
- Plasseraud IP
- Regimbeau
- Santarelli

TIER 2
- Casalonga
- IPSIDE
- Lavoix
- Novagraaf

TIER 3
- Gevers
- Inlex IP Expertise
- Ipsilon
- Promark
- TMark Conseils

GERMANY

TRADEMARK (LAW FIRMS)

TIER 1
- Bird & Bird
- Harmsen Utescher
- Hogan Lovells
- Lubberger Lehment
- Taylor Wessing

TIER 2
- CBH
- CMS
- Gleiss Lutz
- Harte-Bavendamm
- Klaka
- Lorenz Seidler Gossel
- Preu Bohlig & Partner

TIER 3
- Baker McKenzie
- Hoyng Rokh Monegier
- Jonas
- Noerr
- NORDEMANN
- SKW Schwarz

OTHER NOTABLE FIRMS
- ADVANT Beiten
- Arnold Ruess
- bock Legal
- Rospatt Osten Pross

TRADEMARK (PATENT & TRADEMARK ATTORNEY FIRMS)

TIER 1
- Bardehle Pagenberg
- Boehmert & Boehmert
- Grünecker

TIER 2
- Vossius & Partner

TIER 3
- Eisenführ Speiser
- Hoffmann Eitle
- Maiwald
- Meissner Bolte

ITALY

TRADEMARK CONTENTIOUS

TIER 1
- Bird & Bird
- Hogan Lovells
- Trevisan & Cuonzo

TIER 2
- IP Law Galli
- Jacobacci & Associati
- Martini Manna
- Spheriens

TIER 3
- ADVANT Nctm
- DLA Piper
- Gianni & Origoni
- Simmons & Simmons

OTHER NOTABLE FIRMS
- Akran Intellectual Property
- Bonelli Erede Lombardi Pappalardo
- Dentons
- Herbert Smith Freehills
- LGV Avvocati
- Sena & Tarchini
- Tornato Prado

TRADEMARK PROSECUTION (LAW FIRMS)

RECOMMENDED
- Bird & Bird
- Hogan Lovells
- Spheriens
- Trevisan & Cuonzo

TRADEMARK PROSECUTION (PATENT & TRADEMARK ATTORNEY FIRMS)

TIER 1
- Barzanò & Zanardo
- Bugnion SpA
- Jacobacci & Partners
- Società Italiana Brevetti (SIB)
- Studio Torta

TIER 2
- Buzzi Notaro & Antonielli d'Oulx
- GLP
- Modiano & Partners
- Perani & Partners

TIER 3
- Giambrocono & C
- Notarbartolo & Gervasi
- Racheli

OTHER NOTABLE FIRMS
- Akran Intellectual Property
- Bresner Cammareri Intellectual Property (BCIP)
- De Simone & Partners
- Dragotti & Associati

NETHERLANDS

TRADEMARK CONTENTIOUS

TIER 1
- Brinkhof
- Hofhuis Alkema Groen
- Hoyng Rokh Monegier

TIER 2
- Bird & Bird
- De Brauw Blackstone Westbroek
- DLA Piper
- Kennedy Van der Laan
- Leeway
- NautaDutilh

TIER 3
- Hogan Lovells
- Hoogenraad & Haak
- KLOS
- Ploum
- Taylor Wessing

OTHER NOTABLE FIRMS
- Van Doorne
- Visser Schaap & Kreijger

TRADEMARK (PATENT & TRADEMARK ATTORNEY FIRMS)

TIER 1
- Chiever
- Knijff Trade Mark Attorneys
- NLO Shieldmark

TIER 2
- HGF
- Novagraaf
- Turnstone

TIER 3
- Abcor
- VO

OTHER NOTABLE FIRMS
- AOMB
- Arnold & Siedsma

TRADEMARK PROSECUTION (LAW FIRMS)

RECOMMENDED
- Bird & Bird
- Brinkhof
- DLA Piper
- Hoyng Rokh Monegier
- Leeway
- Taylor Wessing

SPAIN

TRADEMARK CONTENTIOUS

TIER 1
- Bird & Bird
- Elzaburu
- Grau & Angulo
- Hogan Lovells

TIER 2
- Abril Abogados
- Cuatrecasas
- Garrigues
- Gómez Acebo & Pombo
- Hoyng Rokh Monegier
- Uría Menéndez

TIER 3
- Baker McKenzie
- Balder
- Baylos
- Herrero & Asociados (H&A)
- Pérez-Llorca

TRADEMARK PROSECUTION (LAW FIRMS)

TIER 1
- BomhardIP
- Hogan Lovells

TIER 2
- Abril Abogados
- Hoyng Rokh Monegier
- Noerr

TIER 3
- Baker McKenzie
- Cuatrecasas
- Garrigues

OTHER NOTABLE FIRMS
- Bird & Bird
- Santiago Mediano Abogados

TRADEMARK PROSECUTION (PATENT & TRADEMARK ATTORNEY FIRMS)

TIER 1
- Curell Suñol
- Elzaburu

TIER 2
- Balder
- Herrero & Asociados (H&A)
- PONS IP

TIER 3
- ClarkeModet
- Isern Patentes y Marcas

OTHER NOTABLE FIRMS
- ABG Intellectual Property
- PONTI
- Ungría

SWEDEN

TRADEMARK CONTENTIOUS

TIER 1
- Sandart & Partners
- Vinge
- Westerberg & Partners

TIER 2
- AWA
- Gulliksson
- Zacco

TIER 3
- Brann
- Delphi
- Groth & Co
- Lindahl
- MAQS
- Synch

OTHER NOTABLE FIRMS
- Baker McKenzie
- Bird & Bird
- Heidenstam Legal
- Roschier
- Setterwalls

TRADEMARK PROSECUTION (LAW FIRMS)

TIER 1
- Vinge
- Westerberg & Partners

TIER 2
- Gulliksson
- Roschier

TIER 3
- Lindahl
- MAQS

TRADEMARK PROSECUTION (PATENT & TRADEMARK ATTORNEY FIRMS)

TIER 1
- AWA
- Groth & Co
- Zacco

TIER 2
- Brann
- Valea

TIER 3
- Hansson Thyresson
- Rouse

OTHER NOTABLE FIRMS
- Fenix Legal
- Noréns

SWITZERLAND

TRADEMARK CONTENTIOUS

TIER 1
- Lenz & Staehelin
- MLL Meyerlustenberger Lachenal Froriep
- Walder Wyss

TIER 2
- FMP Fuhrer Marbach & Partners
- Homburger
- Rentsch Partner
- Troller Hitz Troller
- Wild Schnyder

TIER 3
- Baker McKenzie
- Pestalozzi
- Schellenberg Wittmer
- Times Attorneys
- Weinmann Zimmerli

OTHER NOTABLE FIRMS
- House Attorneys
- Kasser Schlosser Avocats
- Niederer Kraft Frey

TRADEMARK PROSECUTION (LAW FIRMS)

HIGHLY RECOMMENDED
- FMP Fuhrer Marbach & Partners
- MLL Meyerlustenberger Lachenal Froriep
- Wild Schnyder

RECOMMENDED
- Baker McKenzie
- Lenz & Staehelin
- Troller Hitz Troller
- Walder Wyss

TRADEMARK PROSECUTION (PATENT & TRADEMARK ATTORNEY FIRMS)

TIER 1
- E Blum & Co
- Isler & Pedrazzini

TIER 2
- Bugnion
- Rentsch Partner
- Weinmann Zimmerli

TIER 3
- Bovard
- Katzarov
- Meisser & Partners

UNITED ARAB EMIRATES

TRADEMARK CONTENTIOUS

TIER 1
- Al Tamimi & Company
- Clyde & Co
- Rouse

TIER 2
- Abu-Ghazaleh Intellectual Property (AGIP)
- Gowling WLG
- Saba IP

TIER 3
- BSA Ahmad Bin Hezeem & Associates
- Cedar White Bradley
- Charles Russell Speechlys
- Deans IP

TRADEMARK PROSECUTION

TIER 1
- Abu-Ghazaleh Intellectual Property (AGIP)
- Al Tamimi & Company
- Clyde & Co
- Rouse
- Saba IP

TIER 2
- Cedar White Bradley
- Gowling WLG

TIER 3
- BSA Ahmad Bin Hezeem & Associates
- Deans IP
- Hadef & Partners

OTHER NOTABLE FIRMS
- Baianat Intellectual Property
- Bird & Bird
- United Trademark & Patent Services

UNITED KINGDOM (SCOTLAND)

TRADEMARK CONTENTIOUS

TIER 1
- Burness Paull
- CMS
- Pinsent Masons

TIER 2
- Brodies
- Dentons

TIER 3
- MacRoberts
- Shepherd and Wedderburn

TRADEMARK PROSECUTION

HIGHLY RECOMMENDED
- HGF
- Lawrie IP
- Marks & Clerk
- Murgitroyd

RECOMMENDED
- Lincoln IP

UNITED KINGDOM (ENGLAND)

TRADEMARK CONTENTIOUS (LAW FIRMS)

TIER 1
- Bird & Bird
- Bristows
- CMS
- Fieldfisher
- Lewis Silkin

TIER 2
- Allen & Overy
- Baker McKenzie
- Gowling WLG
- Mishcon de Reya
- Simmons & Simmons
- Taylor Wessing
- Wiggin

TIER 3
- Browne Jacobson
- Hogan Lovells
- Osborne Clarke
- RPC
- Stephenson Harwood

OTHER NOTABLE FIRMS
- Charles Russell Speechlys
- DLA Piper
- Pinsent Masons
- Reed Smith

TRADEMARK PROSECUTION (LAW FIRMS)

TIER 1
- Baker McKenzie
- Bird & Bird
- Bristows
- CMS
- Fieldfisher
- Taylor Wessing

TIER 2
- Lewis Silkin
- Mishcon de Reya
- Wiggin

TIER 3
- Allen & Overy
- Hogan Lovells
- Morgan Lewis & Bockius
- Osborne Clarke
- Pinsent Masons
- Simmons & Simmons

TRADEMARK CONTENTIOUS (PATENT & TRADEMARK ATTORNEY FIRMS)

TIER 1
- HGF Law
- Marks & Clerk Law
- Potter Clarkson
- Stobbs IP

TIER 2
- Carpmaels & Ransford
- D Young & Co

TIER 3
- Appleyard Lees
- Haseltine Lake Kempner
- Maucher Jenkins
- Venner Shipley

TRADEMARK PROSECUTION (PATENT & TRADEMARK ATTORNEY FIRMS)

TIER 1
- Barker Brettell
- Boult Wade Tennant
- D Young & Co
- HGF
- Kilburn & Strode
- Marks & Clerk
- Potter Clarkson
- Stobbs IP

TIER 2
- Dehns
- J A Kemp
- Keltie
- Maucher Jenkins
- Mewburn Ellis
- Murgitroyd

TIER 3
- Appleyard Lees
- Carpmaels & Ransford
- Cleveland Scott York
- Gill Jennings & Every
- Haseltine Lake Kempner
- Reddie & Grose
- Venner Shipley
- Wilson Gunn
- Withers & Rogers

OTHER NOTABLE FIRMS
- AA Thornton
- Abel & Imray
- Mathys & Squire

China's SPC issues landmark drug patent ruling

Xiaohui Wu, Yuming Wang and Jianhui Li of Wanhuida Intellectual Property discuss the Supreme People's Court first decision in parallel civil and administrative proceedings involving a chiral drug patent

On December 19 2021, the Intellectual Property Court of the Supreme People's Court (SPC) published its final decisions on the first parallel civil and administrative proceedings involving a medical use patent for a chiral drug. The cases, which were heard in public on April 25 2021, are highly significant.

In these cases, the SPC sheds light on several important issues including: assessment of technical teaching of the prior art, inventiveness parameters for optical isomers and medical use invention, interpretation on the scope of protection of medical use claims, the prior art defence and the prior use defence.

The case relates to two patents: ZL200510083517.2, entitled 'Use of levo-ornidazole for preparing anti-parasitic infection drug' and ZL200510068478.9, entitled 'Use of levo-ornidazole for preparing anti-anaerobic bacteria infection drug'. The patentee was on the defensive and offensive sides of the court: facing both petitioners challenging the validity of its inventions in two administrative proceedings and infringers appealing two parallel patent infringement civil decisions. The battle ended with the patentee's victory.

Administrative proceeding

In the administrative proceeding, the petitioner sought to reverse the CNIPA's invalidation decisions numbered

38074 and 38076. The trial court, the Beijing Intellectual Property Court, found on June 10 2020 that the patents at issue were devoid of inventive step and should be invalidated. The CNIPA and the patentee both appealed to the SPC's Intellectual Property Court.

The patentee asserted that the trial court erred in its finding and failed to follow the three-step approach in the assessment of inventiveness. It neither addressed the technical problem actually solved by the patents at issue nor factored in the unexpected technical effect of levo-ornidazole in "reducing neurotoxicity". This contradicted both the methodology for assessing inventiveness and the legislative intention regarding medical use inventions.

The descriptions of the patents at issue state that the reduction of neurotoxicity is the technical effect achieved by the claimed technical solutions, and this should be taken into account in ascertaining the technical problems actually solved by the inventions. In the meantime, the prior art disclosed neither the activity nor toxicity of ornidazole enantiomers, let alone provided any guidance in terms of using levo-ornidazole to reduce the neurotoxicity of ornidazole. These facts corroborate the non-obviousness of the patents at issue and the unpredictability of the technical effect achieved.

The SPC found the patentee's argument tenable. The court of appeal affirmed that prior to the application date of the contested patents, a person skilled in the art would have no motivation to study the toxicity of levo-ornidazole and use it as a single ingredient in drug development, under the teaching of two pieces of evidence cited and the common knowledge in the art. The technical solutions of the patents at issue were non-obvious to a person skilled in the art. The trial court failed to follow the three-step approach and failed to base its findings of technical teaching on the entirety of the prior art. Therefore, the decisions were erroneous and should be corrected.

The SPC expatiated on the metrics in ascertaining inventiveness of a medical use patent: where the person skilled in the art has no "reasonable expectation of success" as to the medical use invention of a known compound, the said invention should be deemed inventive, provided that the medical use or efficacy is achieved by utilising the newly discovered properties of the compound and produces beneficial technical effects that were unforeseeable to the person skilled in the art, rather than be readily achieved or predicted from the structure, composition, molecular weight, known physical and chemical properties and the existing use of the compound *per se*.

Nevertheless, if a conclusion is drawn that the prior art has provided technical inspiration in the context where the prior art merely provides a general research direction in the field or points to contrary technical teaching, without giving clear and explicit technical inspiration as to researching the toxicity of chiral enantiomers, the court risks hindsight and underestimation of the inventiveness of an invention.

Xiaohui Wu
Senior patent counsel
Wanhuida Intellectual Property
E: wuxiaohui@wanhuida.com

Xiaohui Wu is a senior patent counsel at Wanhuida Intellectual Property. Her areas of technical expertise are biology, pharmaceuticals, chemicals, and chemical engineering.

Xiaohui's experience as the R&D project director at a local pharmaceutical company has equipped her with a better understanding and anticipation of the needs of the firm's biopharma clients in respect of patent prosecution, enforcement and dispute resolution field.

Xiaohui was one of the lead counsels that helped a pharmaceutical multinational corporation enforce its invention patents against the infringers offering to sell products exploiting the client's patents in two cases, which are selected as one of the National Ten Exemplary Patent Administrative Enforcement Cases in 2019 and 2018 by the China National Intellectual Property Administration.

"The SPC sheds light on several important issues including assessment of technical teaching of the prior art, inventiveness parameters for optical isomers and medical use invention."

Yuming Wang
Partner
Wanhuida Intellectual Property
E: wangyuming@wanhuida.com

Wang Yuming is a partner and attorney-at-law at Wanhuida Intellectual Property. His practice primarily focuses on intellectual property law.

Yuming has extensive experience in litigating trademark, unfair competition, patent and IP-related contractual matters. He has been defending his clients' IP interests all the way up to China's Supreme People's Court.

Honing his expertise in over 300 lawsuits, Yuming has served as lead counsel in landmark cases, which are selected as exemplary cases by the Supreme People's Court and the Beijing High Court. He was listed as a rising star by MIP IP Star in 2021.

Jianhui Li
Paralegal
Wanhuida Intellectual Property
E: lijianhui@wanhuida.com

Jianhui Li is a paralegal at Wanhuida Intellectual Property. Her areas of technical expertise are biology, pharmaceuticals, chemicals and biomedical engineering.

Jianhui assists the firm's senior patent practitioners in patent infringement, patent validity analysis, free-to-operate and other patent legal affairs for a few multinational biological and pharmaceutical corporations both at home and abroad.

Patent infringement

The patent infringement proceeding was quite straightforward. In decisions dated May 22 2020, the Shanghai Intellectual Property Court affirmed infringement, ordered cessation and monetary indemnity of RMB 800,000 ($125,000) (inclusive of reasonable costs). The decisions were appealed before the SPC.

On the scope of protection of the medical use claims of the known compound, the SPC opined that the patents at issue were inventions deriving from the newly discovered properties of the known compound, whose patentability lies in the discovery and application of drugs prepared for specific indications, rather than the compound *per se*. Given that toxicity was not defined in claim 1 of the patents at issue, there was no need to revisit that matter in the infringement comparison and examination of the prior art defence.

Regarding the prior art defence, the SPC found that there were different scenarios as to the biological activities of chiral drugs. One piece of evidence cited by the accused infringer disclosed the activity of ornidazole and it transpired that levo-ornidazole and right-ornidazole could be obtained through resolution of ornidazole. Nevertheless, even in this context, a person skilled in the art would not reasonably predict the biological activity of levo-ornidazole and right-ornidazole. Therefore, the prior art defence could not be established.

With respect to the prior use defence, evidence adduced by the patentee indicated that from the application date of the patents at issue onward, the manufacturing of levo-ornidazole by the accused infringer was merely on a laboratory scale for about three years. Moreover, the implementing entity introduced in the evidence of the prior use defence by the accused infringer was not a stakeholder in the case, and was not associated with the accused infringer. Therefore, the evidence furnished by the accused infringer did not suffice to prove that it had actually produced levo-ornidazole and implemented such for the patented medical use prior to the application date of the patents at issue. The SPC therefore upheld the decisions of the Shanghai IP Court based on this reasoning.

A welcome move

It is a very welcome move that the SPC consolidated the trial of the administrative and civil proceedings involving the same subject matter to ensure closely correlated proceedings are adjudicated by the same court in a synchronised manner. This provides clarity and predictability to both sides of disputes.

Optical fibre technology: patent filing trends in India

Ritushka Negi and Mandeep Kaur Gill of Remfry & Sagar discuss patent filing trends in India and the progress of optical fibre technology

Optical fibre technology has brought unparalleled progress in various industries ranging from telecommunications to medicine to defence and surveillance.

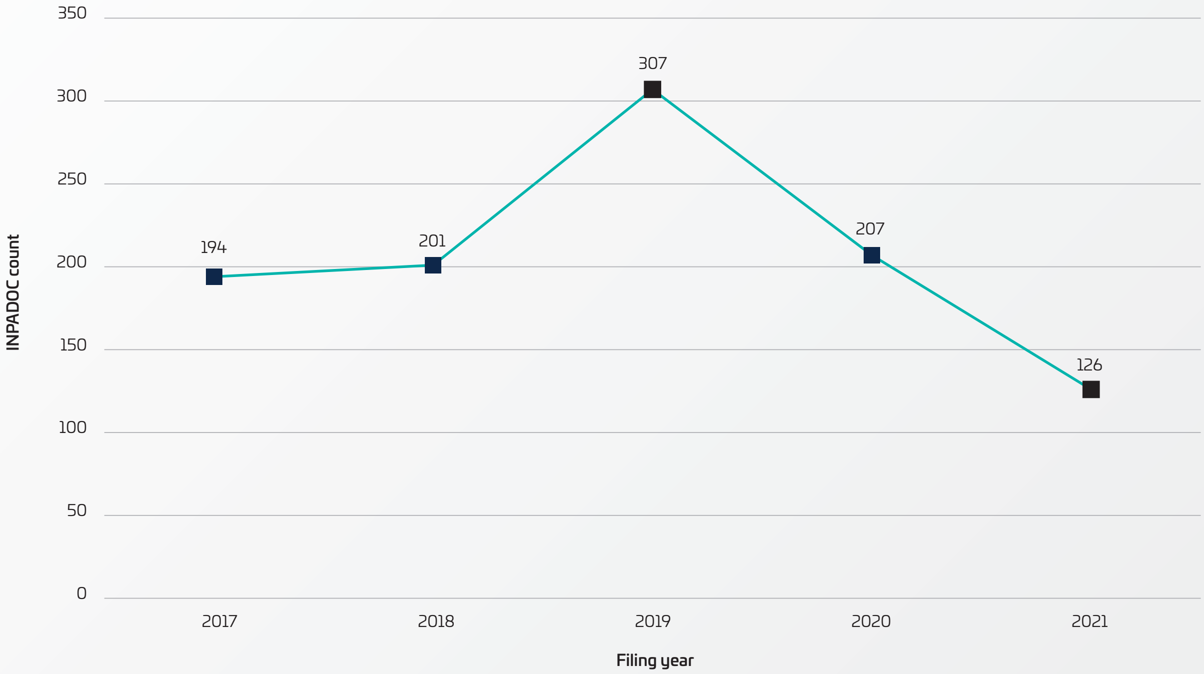
Excellent data transfer capabilities with enormous bandwidths and ultra high-speed transfers, low transmission loss as well as stronger security have led to its widespread adoption. That said, it is the telecom industry that is the dominant user of fibre optics and India is poised to roll out 5G services at the end of this year.

To address the soaring demand for high-speed data transmission, the Indian government along with private telecom players is making substantial investments in upgrading the country's telecom infrastructure. The aim is to lay optical fibre in all 600,000 Indian villages, including those in very remote areas, by 2025.

From a practitioner's perspective, it has been interesting to see how Indian patent filing trends have kept pace with technological and commercial developments.

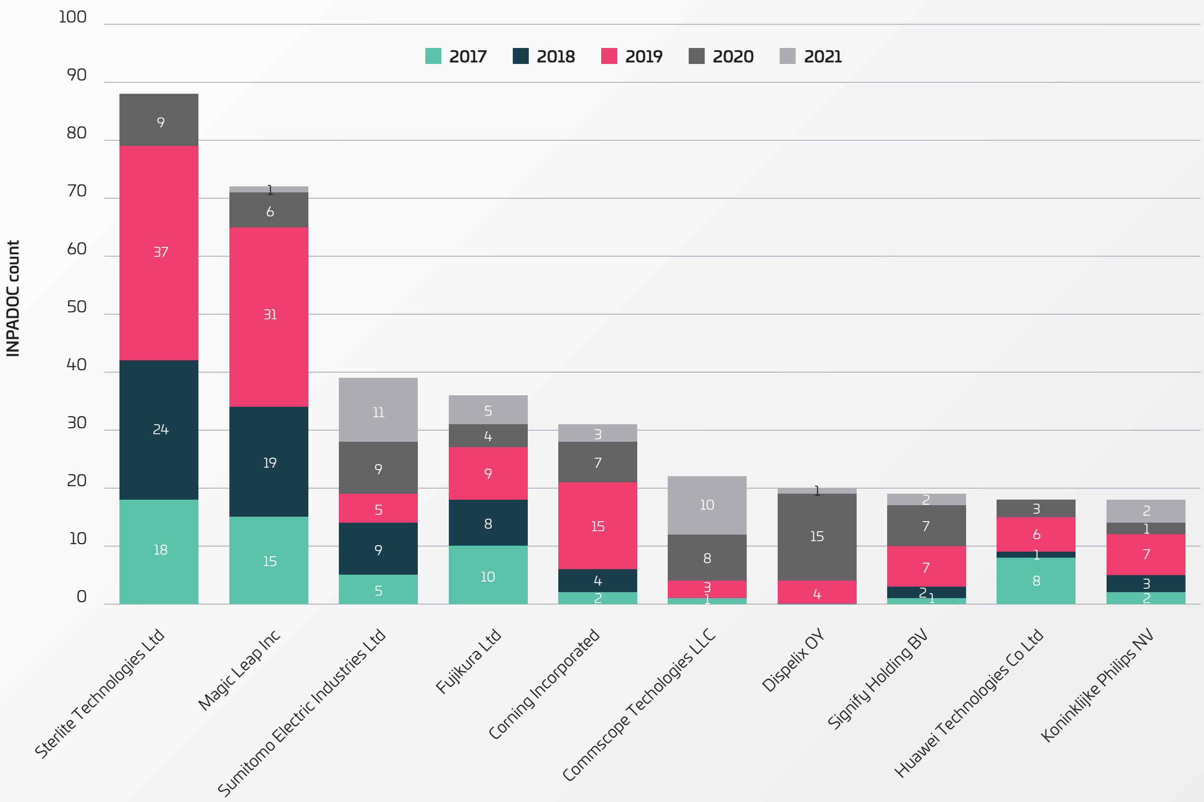
Figure 1 depicts the actual number of published patent applications in India in the domain of fibre optics. 81% of patent filings in this area focus on optical fibres for application in the telecommunications industry, 13% of applications are filed for mechanical inspection and 6% relate to the medical industry. Maximum applications were filed in IPC classification G02B 6/44 relating to optical transmission cables followed by G02B 6/00 relating to light guides and other optical elements for e.g. couplings.

Figure 1: Optical Fibres: Patent Filings



Source: Based on data obtained from Derwent Patent Database

Figure 2: Top applicants



Ritushka Negi
Partner
Remfry & Sagar
T: +91 124 280 6100
E: ritushka.negi@remfry.com

Ritushka Negi is a partner at Remfry & Sagar.

Ritushka's practice focuses on many fields of technology including pharmaceutical and chemical patents, however, the telecommunications, automotive, medical devices, embedded systems, mechanical, electrical, electromechanical and computer science sectors are particular areas of expertise. She has over two decades of experience and manages a broad range of functions – advising clients on IP strategy, development and management of patent portfolios, commercialisation, and litigious matters. Her understanding of business exigencies, expertise in IP portfolio management as well as patent valuation skills ensure that clients' interests are always well protected.

Ritushka has a master's degree in computer science and a bachelor's degree in law.

Mandeep Kaur Gill
Associate
Remfry & Sagar
T: +91 124 280 6100
E: mandeep.gill@remfry.com

Mandeep Kaur Gill is an associate at Remfry & Sagar.

Mandeep deals with patent prosecution and patent analytics – specifically novelty and inventiveness analysis – primarily in the domain of mechanical, electrical, electronics and telecommunications, electro-mechanical equipment and machines, automobile engineering, information technology, physics and renewable energy. She offers clients expert advice on matters pertaining to patent protection in India and on developing their patent portfolios.

Mandeep has a master's degree in science (physics and electronics).

Between 2017 and 2019, there was a sharp uptick of 58% in applications numbers. The graph seems to dip after that, suggesting a drop in filings. However, data for 2020 and 2021 may be incomplete as application details are published 18 months from the date of filing/priority (whichever is earlier).

Nonetheless, if one compares India with the US and EP, there is much untapped potential in terms of patentees getting their inventions protected in India – as per published data, more than 8,000 and 2,000 optical fibre applications, respectively, have been filed in the last five years in the US and EP.

Figure 2 reveals the top filers relating to optical fibre patents in India in the last five years – 2017–21. Interestingly, the top filer – Sterlite Technologies – is an Indian multinational technology company; the second and fifth largest filers are US entities and the third and fourth largest filers are Japanese companies.

Looking at the corresponding filing figures of these entities in the US and EU, it is interesting to see that both are an important market for Sterlite – it has filed a total of 59 and 66 applications respectively in these jurisdictions between 2017–21.

Meanwhile, US-based Magic Leap seems quite focused on the Indian market – compared to 89 and 70 applications filed in the US and EU between 2017 and 2021, it has filed 72 applications in India in the same period. Indian filings by the remaining companies mentioned in Figure 2 are still some way off from their US and EU filings.

It is worth noting that there has been a rising trend in oppositions filed at the Indian Patent Office against inventions relating to optical fibres and related areas which is indicative of the awareness and competitiveness in the market. This is mirrored by an uptick in litigation and further increases on both fronts in the days ahead are anticipated.

As market trends such as widespread implementation of 5G services, increased adoption of fibre to home connectivity (FFTH), emergence of the internet of things, rise in investment in network infrastructure matched by government policy consolidate, and budget outlays expand, a growth in demand for optical fibres and, in turn, more innovation in this domain, seems a certainty.

Challenges and opportunities when combatting counterfeits in Turkey

Barış Kalaycı, Zeynep Seda Alhas and Begüm Soydan Sayılkan of Gun + Partners explain why brand owners need to take an active role to combat counterfeits in Turkey

It is not a secret that Turkey is an important geographical location for production and sales of counterfeit products as well as the ones in transit. Most of the smuggled products entering Turkey also turn out to be counterfeits. This requires brand owners to take an active role in Turkey to combat the counterfeits, cover all possible bases, and also seek alternative and creative approaches.

There are certain civil and criminal actions that can be taken while combatting counterfeits.

The fastest, most straightforward, cost effective and result-oriented way is to file a criminal complaint against the counterfeiters, obtain a search warrant and perform a raid action at the counterfeiters' addresses (production sites, warehouses, stores, etc.).

With this action, counterfeits are seized by the police right away during the search at the counterfeiters' addresses, they are stored in the warehouses of the government, the counterfeiters stand trial during criminal proceedings which usually result in prison sentence and/or judicial fine and the seized products are destroyed by the government after finalisation of the case. Therefore, the criminal route is the mostly chosen way to combat the counterfeits.

However, collecting evidence before filing of the criminal complaint or obtaining a search warrant from the judge is not always easy. In cases where the raid should take place in a production site or warehouse, it is not always possible to obtain proper evidence such as an invoice from the counterfeiters and some of the criminal judges simply reject the claims to issue a search warrant due to lack of definite evidence proving the trademark infringement crime, although reasonable doubt should be sufficient in such cases according to the law.

Also, while the number is not high, some judges in Turkey simply do not 'believe' that counterfeiting is a crime and can 'advise' IP practitioners to follow civil courses of actions. Another problem is that the police sometimes cannot perform efficient raids in certain cities or areas especially in touristic locations.

In some cases, criminal complaints may not be effective

In cases where criminal complaints become ineffective or the criminal route is simply closed by rejection of a search warrant request, brand owners need to take some alternative – and sometimes innovative – actions to be able to fight counterfeiters.

The first alternative of a criminal raid would be obtaining a preliminary injunction (PI) from a civil court instead of a search warrant from the criminal judge, collecting the counterfeits based on the PI in the first place and then filing a criminal complaint to have the counterfeits seized – as a way that alternates following up a substantive civil infringement action, which usually takes longer compared to a criminal proceeding, despite being pretty effective.

Barış Kalaycı
Partner
Gün + Partners
T: + 90 (212) 354 00 40
E: baris.kalayci@gun.av.tr

Barış Kalaycı is a partner at Gün + Partners. His IP practice focuses on trademarks, designs and copyrights.

Barış has been involved in numerous anti-counterfeiting and anti-piracy campaigns and civil litigation cases mostly with preliminary injunction requests involving all aspects of IP rights. He also has a special focus on customs IP protection against counterfeit goods being exported, imported and the ones in transit. He is also in charge of the firm's in-house investigations department.

Barış has a bachelor's degree in law from Ankara University and this is his 25th year in Gun+Partners..

Brand owners may assess whether to apply to the civil courts – the specialised IP courts in terms of the cases in Istanbul, Ankara and Izmir – and request for determination of evidence via expert examination and PI to prevent the production and sales of counterfeits and to collect the counterfeits at the same time.

In some cases, the courts may accept the PI request in exchange for deposit of a certain security amount to protect potential damages of the counter parties and related third parties but sometimes the courts do not require such security amounts considering that the products at question are counterfeits.

If the PI order is granted in exchange for deposit of a certain security amount, then the security amount should be deposited with the court and the execution process should be started within a week by the brand owners. Also, the brand owners need to initiate the substantive civil case based on trademark infringement within two weeks after stating the execution process of the PI. Otherwise, the PI order will be automatically cancelled.

In cases where counterfeits are subjected, these actions can also be completed within a couple of days due to the urgency of the matter. As a result, the determination and evidence and enforcement of the PI will be performed at the same time and the counterfeits will be collected at the presence of the experts with their confirmation on the counterfeit nature of the products.

After enforcement of the PI order, it is possible to file a criminal complaint and obtain a seizure warrant for the collected counterfeits. That way, the counterfeits will be stored in the warehouses of the government, the counterfeiters stand trial during criminal proceedings which usually result in a prison sentence and/or judicial fine and the seized products are destroyed by the government after finalisation of the case, and as a result, brand owners could achieve the same result.

If the criminal complaint is filed and the seizure warrant of the criminal judge is obtained after enforcement of the PI, then brand owners do not need to initiate a substantive civil case and may prefer to continue with the criminal case only, as the counterfeits will already be seized via criminal route.

Collaboration is highly important

In addition to the above and as a separate way of fighting counterfeits, it would be beneficial for brand owners to follow up the smuggling operations and collaborate with the anti-smuggling units of the police and gendarmerie because majority of the smuggled products turn out to be counterfeits. Unfortunately, smuggling cases are mainly focused on whether a tax evasion has occurred or not and neither the Prosecutors nor the Judges of such cases investigate if the products subject to their cases are counterfeits or not.

More importantly, the smugglers can easily get fake products back by submitting some invoices or as a result of the proceedings it can be decided for sales of the smuggled products via the Customs Liquidation Services of the government. However, if the products are counterfeits, this means that counterfeit products will enter the market again which would make the effort of anti-smuggling units also ineffective.

Therefore, it is very important for brand owners to follow up the smuggling operations and file a separate criminal complaint based on trademark infringement if the smuggled products are also counterfeits to ensure that the products will not be released and will be destroyed at the end of the criminal proceedings.

A must for Turkey is to file customs IP applications for the relevant IP rights before the Customs General Directorate. Thanks to the Customs IP Programme, the customs officers may prevent the entrance of counterfeits into the country. They basically render temporary suspension decisions about the suspicious products and inform the brand owners and/or their representatives to enable them to examine and identify the counterfeit products and then take necessary actions within 10 working days.

Zeynep Seda Alhas
Partner
Gün + Partners
T: + 90 212 354 00 40
E: zeynep.alhas@gun.av.tr

Zeynep Seda Alhas is a partner at Gün + Partners. She is both a lawyer and a trademark attorney specializing in IP; she focuses on civil and criminal litigation on trademarks, designs and copyright.

Zeynep advises a wide range of foreign and domestic clients from numerous business sectors on implementing IP protection and enforcement strategies. She has vast experience in civil and criminal IP litigation – representing clients in all types of civil court actions, in negotiating and drafting co-existence, settlement and licensing agreements and she has been involved in numerous anti-counterfeiting campaigns, handled and supervised evidence gathering and criminal raid procedures all around Turkey, and works with the firm's in-house investigations department closely.

Zeynep has a bachelor's degree in law from Galatasaray University in Istanbul and has been with Gün + Partners for 16 years.

Begüm Soydan Sayılkan
Senior associate
Gün + Partners
T: + 90 212 354 00 00
E: begum.soydan@gun.av.tr

Begüm Soydan Sayılkan is a senior associate at Gün + Partners. Her IP litigation practice focuses on trademarks, designs, unfair competition and copyrights.

Begüm has been involved in numerous civil cases including preliminary injunction requests and compensation claims, in addition to her practice in opposition cases. She takes an active role in anti-counterfeiting and anti-piracy campaigns as well. She also has a special focus on customs IP protection against counterfeit goods and she is dealing with the customs IP applications of a wide range of foreign and domestic clients from numerous business sectors.

Begüm obtained a bachelor's degree in law from Yeditepe University, Istanbul.

If the products are confirmed to be counterfeits, then the brand owner can file a criminal complaint, obtain a seizure warrant, and deliver it to the customs so that the suspended products will be permanently seized. Alternatively, it is also possible to request a PI from the civil IP courts but as the criminal route is more cost and time effective, it is usually recommended to file a criminal complaint to seize such products, as well.

Online infringements have to be dealt with

Last but not the least, it should be noted that online infringements are also one of the biggest problems of brand owners. Due to increased online sales in recent years, with COVID-19, there are many online stores selling counterfeits. Brand owners should closely monitor the online stores and accounts and resort to the take down process.

Depending on the circumstances of the matter, it should also be evaluated to perform offline investigations into important online targets, file criminal complaints and seize products from the physical addresses of such infringers and have a criminal case started against them to be able to deter them for good.

Although it may sometimes be hard to deal with online sales of counterfeits, the brand owners cannot let go of these platforms and must enforce their rights online as well.

In addition to judicial remedies brand owners can also resort to administrative remedies before the Advertisement Board, which is established under the Ministry of Trade's General Directorate of Consumer Protection and Market Surveillance. The Advertisement Board is entitled to carry out administrative surveillance and implement administrative sanctions against advertisements and promotions of counterfeits such as cease of misleading and infringing uses and issuance of monetary fine, which also constitute an important remedy for the brand owners to deter counterfeiters.

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Turkey's position on SEPs: navigating the technology-driven world

Özge Atılgan Karakulak and Beste Turan of Gün + Partners consider how technological advancement supports the creation of SEPs in Turkey

Standard essential patent (SEP) appears to be the new buzzword of patent law considering the upward trend in patent litigation arising from SEPs. Indeed, the continuous technological advancement supports the creation of SEPs so this trend is likely to continue in the near future.

SEPs is a concept arising from the interaction between patent rights, which provides exclusive use of an invention and 'standards' aimed at the widespread and mandatory use of this innovation in the relevant market.

Licensing SEPs: FRAND terms

Standard developing Organisations (SDOs) determine the technical specifications and standards that are a set of technical specifications in the relevant industry and aim to make such standards accessible to all players in the industry. As part of their governing rules, SDOs typically publish policies regarding IP rights (IPR).

The IPR policies include asking the SDO members to identify their patents that may be essential to the SDO's standards. When a member identifies a potential SEP, it is also asked to declare whether it will agree to license the patent on fair, reasonable, non-discriminatory (FRAND) terms and conditions.

The precise terms of FRAND declarations vary across different SDOs and may vary from declarant to declarant. In this regard, SDOs do not impose rigid IPR policies on their members as their main goal is to increase the number of members and make SEPs available to as many industry players as possible.

The SEP holder has a power over the party who wants to implement the standard considering that, the person will not be able to implement the standard in case the SEP holder does not want to license the patent.

To balance this power of SEP owners and prevent monopolisation, SDOs require SEP owners to accept the FRAND terms in their agreement with the SDOs which means that the SEP owners undertake to provide licenses in FRAND terms to anyone who wants to implement the relevant standard in its business.

SEP licensing

As the number of SEPs increased over time, patent litigations arising from SEPs also increased. Although SEP litigators suffer from a lack of detailed laws regulating the implementation of FRAND licensing, there are a number of decisions from different jurisdictions guiding the litigators including the widely known *Huawei Technologies v ZTE* and *Nokia v Daimler* (Case 4c O 17/19) cases.

On February 14 2022, the European Commission initiated a public consultation aimed at creating a fair and balanced licensing framework for SEPs. The initiative also contains a 'call for evidence for an impact assessment' document defining the political background, problem, policy options and likely impacts of an improved SEP framework. Accordingly, industry stakeholders are entitled to submit their feedback to the EU Commission's official website by May 9 2022.

In accordance with the EU Commission's document, the main issues in the sector stem from lack of transparency; uncertainty about FRAND terms and conditions and high enforcement costs. The document further discusses that SEPs also suffers from a lack of predictability as at the time the standard is adopted, SEP holders may not be aware of all potential applications of the standard. In this regard, the EU Commission offers an improved framework that will enhance transparency on SEPs, provide clarity of various aspects of FRAND and improve the effectiveness and efficiency of enforcement.

One of the most discussed concepts in SEP is 'access to all' and 'license to all' that attempts to answer the point at which to license SEPs in the production supply chain. In this regard, the 'access to all' approach enables SEP owners to choose at which level of the production chain to license, which is usually the end-product. Therefore, they request a royalty per product which the standard is used.

However, this concept is criticised by the manufacturers of the end-products as the firms located at a different level of the value chain benefit from having access to a standard without paying royalty. Therefore, they offer another concept called 'license to all' which provides that the value of a standard should be reflected by components of the end-product and therefore, that FRAND licenses should be granted to the component manufacturers (or other suppliers in different level of the supply chain), rather than the manufacturer of the end-product.

Another topical discussion in SEP cases is the interpretation of the 'unwilling licensee' concept. The prevailing question here is that when a standard implemented company becomes an unwilling licensee. There are many possible answers to this question such as when the alleged infringer is aware of the SEP but continues to use the standard without a license or when the alleged infringer walks away from the licensing negotiations although terms of the license was FRAND.

These concepts are discussed in a case between Nokia and Daimler before the Dusseldorf Court and the court referred the detailed set of questions to the CJEU which would have enlightened SEP litigators. Unfortunately, these questions are left unanswered since Nokia and Daimler settled in June 2021 and all patent litigation between the two companies were withdrawn within the scope of the settlement.

Turkey's position

The Turkish Standards Institution (the TSE) and the Information Technologies and Communications

Özge Atılgan Karakulak
Partner
Gün + Partners
T: + 90 212 354 00 24
E: ozge.atilgan@gun.av.tr

Özge Atılgan Karakulak is a partner at Gün + Partners.

With the combination of Özge's advisory and litigation expertise and in-depth knowledge of the life sciences sector, she advises clients across all phases of the business cycle of life science products, such as registration/authorisation procedures, promotion practices, pricing and reimbursement regulations, distribution relationships and co-marketing deals, as well as on issues of merger control, vertical restraints and abusive conduct.

Özge has handled numerous complex commercial and patent litigation cases and has a master's degree in business law from the Galatasaray University, Istanbul.

Authority in Turkey (the BTK) are the two main government-backed organisations dealing with standards in Turkey.

The TSE is a public institution founded with the Law No: 132 which was adopted on November 18 1960 and having legal entity with exclusive competence, managed according to special law provisions.

The TSE has full membership of International Organisation for Standardisation (ISO) and International Electrotechnical Commission (IEC), Standards and Metrology Institute for the Islamic Countries (SMIIC), European Committee for Standardisation (CEN) and European Committee for Electrotechnical Standardisation (CENELEC).

Relations of Turkey with standard organisations in the field of international telecommunications are conducted through the BTK which has an observer status membership at the ETSI. Although TSE and BTK have memberships in SDOs, they are not actively taking a role in setting standards in Turkey or publishing IPR policies currently.

As regards to SEP litigations, to the best of our knowledge, there is no decision issued by Turkish courts on FRAND licenses and/or SEPs to date. However, on December 26 2019, the Turkish Competition Authority (TCA) issued its first decision regarding SEPs in the *Vestel v Philips* case (19-46/790-344).

The TCA evaluated the case with references to the EU Commission's decisions (in its decision, the TCA specifically referred to EU Commission's Decision No. AT.39985 between Apple and Motorola, the EU Commission's Decision No. At.39939 on Samsung and the Huawei-ZTE decision No. C-170/13 of the CJEU) and at certain points, the FRAND principles referred to in EU precedents were implemented to the case even more strictly.

In its decision, the TCA concluded that Koninklijke Philips NV abused its dominant position in the relevant TV technology market due to the provisions of the TV Patent License and Settlement Agreement signed by the parties upon a series of SEP litigations in Germany. The TCA concluded that some of those provisions such as shifted burden of proof, excessive information request and no-challenge of validity may constitute violation of competition law.

The TCA further concluded that Koninklijke Philips NV did not provide a license under FRAND conditions as it did not comply with the step of "applying to the third independent party in the determination of fees" and therefore, did not act transparently in the determination of license fees.

In conclusion, the TCA decided that Koninklijke Philips NV had abused its dominant position and imposed a penalty of 0.75% of its annual gross income generated by the end of fiscal year 2018. On the other hand, the TCA decided that the Turkish affiliate, Turk Philips Ticaret AŞ had not violated the Competition Law No. 4054. The decision of the TCA will serve as a guideline for the evaluation of anti-trust issues as it is the first decision in the context of SEPs under Turkish law.

Continual increase of SEP litigations

It appears that SEP litigations will continue to increase in the coming years. Although SEP holders seem to mostly prefer Germany, the US and UK courts to enforce their SEPs due to the reliability and predictability of these jurisdictions, this trend may change in the future as technology companies continue to increase the number of production facilities in different parts of the world every day by following an expansionary policy with the effect of globalisation and shortage crises.

Given the investments and incentives in different industries and high market potential, Turkey may become one of the jurisdictions to handle SEP litigations. While the TCA surprisingly delved into the specifics of the patent law in its only caselaw regarding SEPs, we will be keeping a close eye on whether a case will be heard in an IP court in Turkey and if they will follow the TCA's approach in dealing with FRAND terms.

Beste Turan
Associate
Gün + Partners
T: + 90 (212) 354 00 24
E: beste.turan@gun.av.tr

Beste Turan is an associate at Gün + Partners. She specialises in patent and utility models, IP and life sciences.

Beste has a bachelor's degree in law from Ozyegin University, Istanbul. She is a member of the Istanbul Bar Association.

New Trademark Law enhances trademark protection in China

Two years after China's new Trademark Law was enacted, Xiaoping Wei of CCPIT Patent & Trademark Law Office examines the impact it has had on trademark protection

It has been more than two years since the promulgation and implementation of China's new Trademark Law in 2019. During this period, how have the changes in the new Trademark Law been implemented? What effect has been achieved? What regulations or interpretations have been issued by the China National Intellectual Property Administration (CNIPA) and courts, and what measures have been taken to promote and ensure the smooth implementation of the new Trademark Law?

These questions will be addressed in reference to each of the major changes introduced by the new Trademark Law.

Malicious trademark applications

Article 4 of the new Trademark Law provides that "malicious trademark applications not intended for use shall be rejected". This has led to further crackdowns on malicious trademark filings.

In order to implement the revision of the Trademark Law and standardise trademark application and registration, the State Administration for Market Regulation (SAMR) issued Several Provisions on Regulating the Behaviour of Trademark Application and Registration (Order No. 17) in October 2019. These provide specific factors to determine whether a trademark application should be defined as a "bad faith application not intended for use".

"In 2020, the China Trademark Office voluntarily rejected 15,600 bad faith applications not intended for use during the trademark examination process."

In 2020, the China Trademark Office voluntarily rejected 15,600 bad faith applications not intended for use during the trademark examination process.

At the beginning of 2021, CNIPA issued the Special Action Plans for Combating Malicious Trademark Squatting, and cracked down on 10 typical types of bad faith trademark applications. These included copies of the names of public figures, well-known works and celebrity names with a high reputation.

In a press conference on January 12 2022, CNIPA said that 482,000 malicious trademark registration applications were dealt with in 2021, and 1,111 squatting trademarks such as Changjin Lake (a famous movie name) and Quan Hongchan (the gold medal winner in the women's single 10-metre platform diving at the 2020 Tokyo Olympics) were quickly rejected.

A total of 1,635 registered trademarks were declared invalid ex officio, and 1,062 suspected malicious trademark registration cases or cases with severe adverse effects were forwarded to the local government.

According to a notice released on February 14 2022, CNIPA refused in full 429 malicious trademark applications for Bing Dwen Dwen (the name of one of the mascots for the 2022 Beijing Winter Olympics) and Gu Ailing (The gold medal winner of the women's freestyle skiing in the 2022 Beijing Winter Olympics) among others. In addition, 43 trademark registrations including Bing Dwen Dwen and Gu Ailing were declared invalid ex officio by CNIPA.

To adapt to the revision and improvement of the Trademark Law and resolutely crack down on bad faith trademark applications not intended for use, CNIPA has summarised the practical experience in the past two years since the promulgation and implementation of the new Trademark Law and published the Guidelines for Trademark Examination and Review (guidelines).

The guidelines clarify the examination and review standards for "bad faith trademark applications not intended for use" and provide unified and consistent standards in determining "bad faith trademark applications not intended for use" in trademark examination, opposition, invalidation and review procedures.

The guidelines define the term "without intent to use or not intended for use" as referring to situations where the applicant has no genuine intention to use, or activity for preparation of use, or where there is no possibility that the applicant may use the mark based on reasonable inference. The guidelines specifically exclude the following two situations in the application of Article 4:

i) The applicant files marks that are identical with or similar to its major mark in different classes for a defensive purpose;
ii) The applicant files a moderate number of marks for its future business.

The guidelines list the following 10 situations where trademark applications are considered as bad faith filings without intent to use, and Article 4 of the Trademark Law should be applied:

i) The number of trademarks is large and evidently exceeds the business scope of the applicant, the marks are filed without intent to use and disturb the order of the administration trademark applications;
ii) The applicant copies, imitates or plagiarises other parties' prior marks with high reputation or strong

distinctiveness, and disturbs the order of the administration trademark applications;

iii) The applicant repeatedly copies, imitates or plagiarises one entity's prior marks with a high reputation or strong distinctiveness, and disturbs the order of the administration trademark applications;

iv) The applicant files a large number of trademarks that are similar to other parties' trade names, abbreviations of trade names, domain names, packaging, logos, advertisements, design works or logos;

v) The applicant files a large number of trademarks that are similar to names of famous persons, trade names of famous companies or other parties' advertisements, art works, design works or logos that have obtained a high reputation.

vi) The applicant files a large number of trademarks that are similar to famous geographical names, tourist attractions, famous landscapes or names of buildings;

vii) The applicant files a large number of trademarks that are similar to generic terms or industry glossaries or files a large number of marks that directly refer to quality, raw material, function, weight, quantity or any other features of the designated goods/services;

viii) The applicant files a large number of trademarks and transfers a large number of marks to different parties;

ix) The applicant sells a large number of trademarks to other parties, forces other parties to collaborate or there is any other behaviour to obtain improper benefits; and

x) Any other situations that can be acknowledged as bad faith filings.

Article 4 of the Trademark Law can be applied not only ex officio by CNIPA to trademark applications but also in trademark opposition/invalidation procedures.

Generally speaking, the situations in iii) and ix) above are used in opposition/invalidation procedures, and the other situations can be applied in both trademark examination and opposition/invalidation procedure.

Xiaoping Wei
Attorney-at-law
CCPIT Patent & Trademark Law Office
E: weixp@ccpit-patent.com.cn

Xiaoping Wei joined CCPIT in 2008. Her practice focuses on trademark prosecution, administrative protection of trademark rights, trademark litigation and providing legal opinions on trademark protection strategies.

Xiaoping obtained a Master of Law from the Law School of Renmin University of China and received training in US trademark law and practice at Birch, Stewart, Kolasch & Birch LLP in Washington DC in 2014.

Regulation of trademark agencies

Paragraph 3 of Article 19 of the new Trademark Law provides that "if a trademark agency knows or should know that the trademark applied for by the client falls under the circumstances specified in Articles 4, 15 and 32 of this Law, it shall not accept to represent the application".

This further curbs malicious trademark applications not intended for use, by regulating the behaviour of trademark agencies.

In 2019, CNIPA launched the so-called Blue Sky Action for IP agencies to rectify the disorder in the sector such as unqualified agencies. In 2021, CNIPA further promoted Blue Sky Action to tackle illegal agency behaviour.

CNIPA has quickly cracked down on malicious trademark agency behaviour, and has received and investigated more than 130 cases of representing malicious trademark squatting.

On August 12 2021, CNIPA issued the Measures for the Collaborative Governance of Illegal Behaviours in the Patent and Trademark Agency Sector to combat violations of laws and regulations (measures).

The measures aim to create a clean and upright environment for the agency sector. According to the Measures, patent and trademark agencies and agents with one of the following circumstances will be blacklisted, and their details published within a certain period of time, subject to social supervision and collaborative restraint measures:

i) The patent and trademark agency illegally employees personnel who have resigned or retired from CNIPA, according to the provisions of CNIPA on regulating personnel who have resigned from public office and retired to work in patent or trademark agencies, and there are circumstances such as delay or refusal to correct their violations of laws and regulations; and

ii) The patent and trademark agency and agent collude with examiners and obtain improper benefits by means of bribery or other methods that seriously affect the fairness and impartiality of patent and trademark examination work;


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iii) The patent and trademark agency and agent have caused serious consequences or have other serious unhealthy effects by means of illegally transmitting the materials involved in the case, intervening in the examination result or improperly obtaining examination information; and
iv) Other circumstances that should be included in the blacklist.

Punitive damages

Article 63 of the Trademark Law increased punitive damages from three times to five times. It stipulates:

> The amount of compensation for infringement of the exclusive trademark right shall be determined according to the actual loss suffered by the right holder due to the infringement; if the actual loss is difficult to determine, it may be determined according to the profit obtained by the infringer due to the infringement; if the loss of the right holder or the benefit obtained by the infringer is difficult to determine, it can be reasonably determined with reference to the multiple of the trademark licence fee. For malicious infringement of the trademark exclusive right, if the circumstances are serious, the amount of compensation may be determined at more than one time but not more than five times the amount determined in accordance with the above method. The amount of compensation shall include reasonable expenses paid by the right holder to stop the infringement.

For malicious infringement of the trademark exclusive right, the law therefore provides more powerful sanctions, increases punitive damages from three times to five times, thus providing more power for rights holders to protect their trademark rights.

China's laws regarding IP have systematic provisions on the content of punitive damages. Article 1185 of the Civil Code, which came into effect on January 1 2021, stipulates that "if the intellectual property rights of others are deliberately infringed, and the circumstances are serious, the infringed person has the right to request corresponding punitive damages". The revised Patent Law and revised Copyright Law, which came into effect on June 1 2021, have almost the same provisions as the revised Trademark Law.

On March 2 2021, the Supreme People's Court issued the Interpretation on the Application of Punitive Damages in the Trial of Civil Cases regarding Infringement of Intellectual Property Rights (Fa Shi [2021] No. 4). It further clarifies the applicable conditions for punitive damages, provides guidance to determine 'deliberate' and 'serious circumstances' and sets the base and multiple for compensation.

Shortly after the Interpretation was promulgated, on March 15, the Supreme People's Court announced six typical civil cases regarding infringement of IP rights that involve punitive damages, including five trademark infringement cases. These provide direct guidance for the application of the Interpretation in future cases, to guide courts at all levels to apply punitive damages correctly.

Clearer legal basis

The latest amendment to the Trademark Law provides a clearer and more direct legal basis for cracking down on bad faith trademark registration. With the joint efforts of the trademark examination department and the law enforcement department, bad faith trademark applications not intended for use and the illegal trademark agency behaviour are effectively curbed.

The Supreme People's Court's Interpretation and typical cases promoted the improvement of the punitive damages system in the field of IP rights and the implementation of punitive damages in China's judicial practice. These fully reflected China's determination to strengthen the judicial protection of IP rights.

Through China's continued efforts to crack down on bad faith trademark applications and trademark infringement, the order of trademark registration management will be better regulated, trademark rights will be better protected, and the fair market competition environment will be enhanced.

AFRICA

New IP legislation comes into force in Mauritius

Spoor & Fisher

Jennifer Colantoni

In 2019 the Mauritian authorities published new IP legislation, the Industrial Property Act 2019. It has now been announced that the legislation is anticipated to come into force in February 2022.

The changes significantly modernise IP law in Mauritius, and bring it into line with international standards.

Some noteworthy features of the new legislation are as follows:

Patents

- Computer programs are specifically excluded from patent protection;
- The test for novelty is an absolute one;
- Although the employer owns patents created by employees, there is provision for employees to receive 'appropriate compensation' where the economic gains made by the employer/patentee are 'disproportionately high';
- Substantive examination will take place;
- Opposition is possible;
- The patent term is 20 years; and
- There are provisions for Patent Cooperation Treaty filings.

Utility models

- Novelty: the test is an absolute one;
- Substantive examination will take place;
- Conversion from a patent to a utility model (and vice versa) is possible; and
- There is provision for invalidation, but not for opposition.

Industrial designs

Protection of designs is limited to 20 years.

Lay-out designs

There is provision for protection in cases of originality and commercial exploitation not exceeding two years.

New plant varieties

There is provision for protection for nationals and companies registered in countries that belong to the International Convention for the Protection of Plants (UPOV).

Trademarks

- The definition of trademarks refers to marks that are 'visually perceptible' and specifically includes colour and shape;
- Opposition is possible;
- Well-known marks will be protected;
- Madrid Protocol: there are detailed provisions regarding international registrations; and
- Non-use: the term is three years.

Geographical indications

There are provisions for the protection of geographical indications.

IP administration

There will be three separate bodies: the Intellectual Property Council (an advisory body), the Industrial Property Office (the registry), and the Industrial Property Tribunal (a court that deals with appeals from the registry).

The new legislation is a welcome development.

AUSTRALIA

To the metaverse and beyond: considerations for Australia's trademark owners

FB Rice

Sarah Dixon

The metaverse is a virtual reality construct where there is an overlap between reality and the online 3D virtual environment. The metaverse is accessed through computers, smart devices and AR/VR technologies. Meta Platforms (formerly Facebook) is pushing the construct with plans to develop metaverse experiences, services and hardware so the ordinary person can enter the metaverse to work, shop, socialise, play games – the extent and application is limitless.

What does the metaverse mean for trademark owners?

Should all trademark owners think about expanding their trademark filings to include virtually downloadable goods and secure rights and a presence in the metaverse?

Nike recently applied for a suite of new trademark applications in the US for some of its most well-known marks including Nike, Just Do It and the Air Jordan logo, covering various goods and services in classes 9 and 42, including "downloadable virtual goods" in class 9 and "retail store services featuring virtual goods" in class 42. Nike's plans for these new trademarks are still unclear. What these filings indicate is that Nike may be preparing to enter the metaverse, perhaps by offering a virtual reality shopping experience. Or the applications may be a defensive strategy to stop infringing use with the expectation that its marks could appear, without consent, in the metaverse or be used on non-fungible tokens (NFTs).

The metaverse creates virtual settings which mimic the real world where participants can deal with, wear and touch branded products. In this setting, would the use of a trademark infringe the rights of the trademark owner for those equivalent goods in the real world? That is, does the trademark owner need to apply separately for "downloadable virtual goods" if it is already the owner of those goods or services in the appropriate class in reality?

The question has not yet been tested before the courts in Australia but recently Hermes International has filed an action in the New York District Court alleging trademark infringement over the use of its Birkin trademark and images on

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NFTs. The outcome of that case will be closely followed and will set the stage and create parameters for future similar actions.

Metaverse scenario for consideration

Person X creates a metaverse dating experience and users can purchase items of clothing as NFTs to wear to their virtual date. Some of the NFT items for purchase are luxury branded clothing (all registered trademarks of third parties). Does the promotion and sale of those NFTs infringe the trademarks that appear on the clothing according to the requirements set-out in the *Trade Marks Act 1995 (Cth)*? If we compare the scenario to online retail sales, the answer is likely to be yes. On the other hand, software or downloadable software (which arguably includes "downloadable virtual goods") is generally not considered to be goods of a similar description to clothing, for example. This suggests that it would be far safer and more prudent for brand owners to consider extending their filings to include downloadable virtual goods and/or services.

Presumably, this would be of interest to high-profile brands globally, assuming existing portfolios do not provide some coverage already. A search of the Australian Trade Mark Register located some pending applications covering non-fungible tokens in class 9 – indicating that interest has already hit our shores.

To most of us the metaverse is still an enigma and its uptake and popularity unknown, but there certainly appears to be momentum building. For brand owners (particularly those in the well-known consumer goods market) there may be valid reason to consider securing trademarks in that space to get a foot in the door, and also potentially as a defensive strategy to combat infringers, especially in jurisdictions where trademark squatting is prevalent and it is important to file early – see our article, Trademark and Brand Protection in China.

For now we will continue to watch this space. However, just as when the internet first launched and its capabilities and uses were not yet fully explored, there is certainly potential for the metaverse and its uses to become the new normal.

CHINA

Punitive damages in trademark infringement in China

Lifang & Partners

Yan Zhang and Lin Mu

Since the issuance of the Interpretation of Application of Punitive Damages in Trial of Infringement on Intellectual Property Rights in Civil Cases by the Supreme People's Court (SPC) in March 2021, Chinese courts are awarding punitive damages against infringers in more cases. Recently, a Sichuan court issued a judgment on trademark infringement, which applied punitive damages. This decision provides a good example of the application of punitive damages in trademark infringement cases.

The plaintiff, VANS, is the owner of the trademark and the VANS series of word trademarks. Wenzhou Shuangxiang Shoes Co and the other two defendants used marks similar to the plaintiff's trademark on shoes, and jointly carried out trademark infringement acts.

The Court found that Shuangxiang had been administratively punished by the local administrative enforcement team for infringing VANS' trademark rights for at least three years during 2019 to 2021, and deliberately continued to infringe despite the existence of prior administrative penalties. The other defendant, a one-person limited liability company of Shuangxiang's supervisor, Jin Xiang, sold infringing products on online shops. All the defendants had deliberately infringed VANS' trademark in a serious manner. The court therefore held that punitive damages should be applied.

Determination of damages

According to the SPC's judicial interpretation, the amount of punitive damages is determined by the method of 'base amount multiplied by multiple'.

The calculation of the 'base amount' is generally based on either the amount of the losses by the plaintiff caused by the infringing acts, or the profits made by the infringer from the infringing acts, or the royalties of the infringed IP.

The 'multiple' requires a comprehensive consideration of factors, such as the defendant's malice, and the seriousness of the infringement.

In this case, to calculate the 'base amount', the court used 'sales of infringing products multiplied by profit margin' to calculate the defendant's profit from infringement acts. This amounted to RMB 1,198,140.50 ($189,000).

Regarding the 'multiple', the court took into account the fact that the three defendants continued to carry out infringing acts on a large scale, after being administratively punished; that the defendants considered infringement as an occupation; and that the scope of infringement was extensive, for example the scale of infringement was large, and the profits from infringement were huge. The court finally determined the 'multiple' of punitive damages to be three times. The final amount of punitive damages was calculated to be RMB 4,792,562.

In addition, taking into account the fact that the three defendants' trademark infringement was punished by the administrative authorities multiple times, the amount of the defendants' infringing products sold on other e-commerce platforms could not be identified, the reputation and popularity of the trademark and the defendants' infringement malice, etc, the court finally fully supported the plaintiff's claim of RMB 4,889,924.20

($773,000) in damages, a bit more than the above calculation.

Significance of the case

The significance of this case is that the court took into consideration the average profit margin of the plaintiff's licensees in China in calculating the profits of the defendants. As the defendants refused to provide data on their profits, the court decided that the profits should be calculated based on the number of the infringing products sold, the unit price, and the average profit margin. For the average profit margin, the court held that as there are multiple licensees of the plaintiff in China, which are not subsidiaries of the plaintiff, the profit margin was reasonable and reliable.

Another significance of this case is that the court recognised that the defendants were in the business of IP infringement, when it decided on the multiple, which is focused on the malice of the defendant. When considering this, the court took into account factors including the period of infringement, whether the defendants had been punished for the infringement, whether there was allocation of work during the infringement, and whether the infringing products took up a large part of the business of the defendant.

The court therefore reached the conclusion that the defendants were in the business of IP infringement, the malice was confirmed, and the multiple was finally decided on this basis.

EPO

Enlarged Board to consider entitlement to priority

Inspicos

Jakob Pade Frederiksen

In consolidated cases T 1513/17 and T 2719/19, a technical board of appeal has referred two questions to the Enlarged Board of Appeal (EBA) on the issue of entitlement to priority.

More specifically, the EBA is to consider if the EPC confers jurisdiction on the EPO to determine whether a party validly claims to be a successor in title to a previously filed application, from which priority is claimed. Phrased differently, if party B claims priority from an application filed in the name of legal entity A, is the EPO competent to assess if party B has validly obtained the right to claim priority from party A?

The matter is pending before the EBA under as G1/22 and G2/22. If the EBA holds that the EPO indeed has the authority to determined whether the party claiming the priority is the successor in title to the previously filed application, the EBA is further asked if a party B can validly rely on the priority right claimed in a PCT application in the case where a PCT application designates party A as applicant for the US only and party B as applicant for other designated States and regions, including the EPO, and the PCT application claims priority from an earlier application filed in the name of party A.

Such issues relating to priority arise frequently, for example in respect of applications claiming US priorities, in respect of which the inventor is named as the applicant, whereas the subsequent application claiming the priority is filed in the name of a corporate entity. For PCT applications, oftentimes, the inventor is named as the applicant for the US only, and the corporate entity is named as applicant for all other jurisdictions.

One possible outcome of the new referral is that the EBA endorses the 'joint applicants' approach which suggests that the priority claim of a PCT application commonly filed by joint applicants is valid if any one of the applicants is properly entitled to the claim to priority. In any event, applicants and their representatives are well advised ensuring an unbroken chain of assignments between applicants in cases where the applicant named in the priority application is not identically named in the application claiming the priority.

FRANCE

France moves towards harmonising law on ownership of inventions and software

Cabinet Beau de Loménie

Gaston Vedel

Order No. 2021-1658 of December 15 2021 concerns the attribution of IP rights relating to assets generated by software developers and inventors who are neither company employees nor civil servants and who have been working in a company or public institute carrying out research. This order has introduced new provisions into the French Intellectual Property Code (CPI), namely Articles L 113-9-1 and L 611-7-1.

These new provisions seek to extend the existing rules concerning patentable inventions (Article L 611-7 CPI) and software (Article L 113-9 CPI) created by public or state sector employees to other categories of authors and inventors.

These categories include interns, PhD students, scholarship students from overseas and emeritus professors or directors, who have been working in a company or public institute carrying out research acting as a host institution.

The new provisions provide that the host institution will own inventions or software created by an inventor or author in the context of their regular activities/mission or on the basis of explicit instructions given by the host institution. They also provide for the possible assignment to the host institution of certain inventions not resulting from the regular activities of the inventor or from instructions that are explicitly entrusted to the inventor.

These provisions will apply whatever the type of host institution having an R&D activity (public or private), provided that the inventor or developer is bound to the host institution by an agreement and, as regards software, that the author was working under the orders of a manager and received compensation for the work carried out.

The new provisions seek to simplify the situation for institutions carrying out research and to harmonise the situation with respect to staff members being company employees or civil servants.

An implementing decree is expected to define in more detail the nature of the financial compensation which will be due to the inventors or developers.

Articles L 113-9-1 and L 611-7-1 entered into force on December 17 2021 and apply to inventions or software created from this date.

GERMANY

USB stick meets sufficiently specific test in Germany

Maiwald

Christian Meyer

Section 253 (2) of the German Code of Civil Procedure obliges the plaintiff in a legal action and the applicant in injunction proceedings to formulate a claim in a sufficiently specific manner. On the one hand, the court must be able to recognise what it is deciding on. On the other hand, the defendant or respondent must be able to ascertain what conduct is still permitted, and what conduct risks them being served with court-ordered fines.

Any doubts about the scope of the court sentence should not be left to the measures of compliance (such as fines or detention) or enforcement proceedings. Particularly in competition law proceedings, the question therefore frequently arises as to the possibility of adequately describing, for example, the challenged competitive conduct in order to ensure that the claim is sufficiently specific.

The muenchen.de case

In this case, several Munich and national newspaper publishers (specifically the companies responsible for their respective online operations) issued a warning letter in 2019 to the operators of the website muenchen.de.

This warning concerned the anticompetitive infringement of the requirement of "state neutrality of the press", pursuant to Article 5 (1) sentence 2 of the German Basic Law in connection with Section 3a UWG. As a consequence of the respondent's refusal to submit to the requested cease-and-desist declaration with a penalty clause, the plaintiffs asserted a corresponding claim for injunctive relief before the Regional Court of Munich I.

The website muenchen.de, which has been accessible since 2004, is the official city portal of the City of Munich, one of the most popular service portals and German city portals – according to the defendant – with several million hits per month.

The Regional Court affirmed the asserted claim for injunctive relief under competition law. In its final judgment on November 17 2020, the Regional Court ordered the defendants "to refrain from disseminating/allowing to be disseminated and/or making/allowing to be made publicly accessible the tele media offering muenchen.de if this occurs as in the recording of the offering made between August 16 and September 19 2019, reproduced on the USB stick Annex K1" (Case No. 33 O 16274/19).

The final judgment of the Higher Regional Court upheld the decision of the Regional Court on September 30 2021 (Ref. 6 U 6754/20), with minor amendments to the operative part of the injunction (omission of the words "to disseminate/allowing to be disseminated and/or"). The appeal was dismissed in all other respects.

The Higher Regional Court's reasoning

According to the Higher Regional Court, the Regional Court was right to assume that the application for injunctive relief was sufficiently specific. In particular, the fact that the application refers to a USB stick submitted as an attachment, which contains over 170,000 individual pages of the aforementioned website, does not preclude the specificity of the claim for injunctive relief.

It is true that a judgment must be visibly set out in such a way that it remains identifiable even after delivery and must therefore in principle it must be set out in a single document. However, special cases permit deviations from this in particular if, as in the present case, the subject matter to which the injunctive relief relates cannot be included in the judgment, given its nature and scope, because it can neither be described in words nor be sufficiently represented by including a picture of the subject matter in question in the judgment.

The Higher Regional Court further clarified that in such special cases reference may also be made in the operative part of the judgment to attachments that have been placed on file.

In this case, both the Regional and the Higher Regional Court assumed that such a special case existed. Neither the defendant's objection with regard to the fundamental changeability of the contents of the USB stick nor their objection with regard to the lack of connection with the judgment was successful.

According to the Higher Regional Court, also in the case of the subsequent enforcement of injunctions, one can generally rely on attachments referred to and submitted with the files, without further ado.

Practical problems

In practice, despite the possibility of enforcement affirmed by the Higher Regional Court, the preparation and execution of the enforcement of such a decision is likely to be most relevant. This poses some practical problems, for example with regard to the execution of an interim injunction (i.e. direct service upon the opposing party within the one-month period).

In this context, for example, the question arises as to whether the applicant may independently make copies of such a storage medium, such as a USB stick, in preparation for enforcement or whether they must send it to the court beforehand so that the court can examine its contents and then attach the data carrier to the enforceable copy of the decision.

Additionally, one cannot rule out technical difficulties in the readability of a corresponding medium (USB stick or other storage medium such as CD or DVD) and the documents deposited there, for example, by the defendant or respondent or the bailiff enforcing the decision (should further claims have been asserted in addition to the injunction, the enforcement of which fall within the range of authority of the bailiff).

These difficulties may include possible display problems (details, colours, etc) of electronic images of infringing objects, which may be stored on a corresponding storage medium but cannot be clearly recognised on a terminal device (for example, a laptop, tablet or other mobile device with possibly low resolution or similar), or are not clearly readable.

In addition to the question of the definiteness of the claim for injunctive relief, the decision contains further interesting legal comments. In particular, there are comments on the question of the permissibility of press activities of public officials, taking into account the freedom of the press granted by Article 5 (1) sentence 2 of the German Basic Law. The decision is worth reading.

A further appeal to the Federal Court of Justice has been admitted. It can therefore be expected that the Federal Court of Justice will address these questions.

INDIA

Basmati battles beset producers in India

RNA Technology and IP Attorneys


Rachna Bakhru and Ajay Kumar

Basmati is India's great contribution to the world of gastronomy. People the world over recognise it as a long grain aromatic rice grown in the foothills of the Himalayas.

Basmati is popular due to its distinct flavour, aroma, taste, and soft and fluffy texture upon cooking. The agro-climatic conditions of the specific geographical region where Basmati is cultivated, plant nutrition, soil, method of harvesting, and other factors contribute towards these unique characteristics. Basmati also has a lower glycemic index: between 45 and 58 as opposed to other varieties of white rice, which have a glycemic index of 89. Therefore it is suitable for diabetics.

More than 85% of global Basmati exports (by quantity and by value) are from India. In 2019-20, India exported 44.55 lakh metric tonnes (4.45 million metric tonnes) of Basmati worth $4.25 billion. Given these figures, Basmati is of considerable economic significance to India in addition to its cultural heritage.

To preserve the unique identity of its aromatic Basmati rice in the international markets, India granted geographical indication (GI) recognition in 2016 to the Basmati producers in the Indo-Gangetic plains on the foothills of the Himalayas. The region includes seven states of India: Punjab, Haryana, Himachal Pradesh, Uttarakhand, parts of Uttar Pradesh, and Jammu & Kashmir. In pre-partition India, the region would also include Pakistan's Punjab province.

However, since the application for registration of Basmati rice by the Agriculture and Processed Food Products Export Development Authority (APEDA) (as a GI was filed and even before, it has been mired in disputes, both domestic and international).

India's attempts to protect the Basmati title can be traced back to a historical conflict between the Indian government and the US company RiceTec in the 1990s. RiceTec had sought a patent for certain rice varieties that it had bred from Basmati strains, with names such as Kasmati, Texmati and Jasmati. RiceTec was granted a patent by the US Patents and Trademark Office (USPTO) under number 5663484 on Basmati rice lines and grains on September 2 1997.

The APEDA accused RiceTec of bio-piracy and challenged the patent in June 2000. After a long battle, RiceTec agreed to withdraw several of the claims. On January 29 2002, the USPTO issued a Re-examination Certificate cancelling claims 1-7, 10, and 14-20 of the patent (the broad claims covering the rice plant) out of 24 claims and entered amendments to claims 12-13.

However, the journey to GI protection for Basmati at home was not as simple and APEDA had to cross several hurdles, facing opposition and challenges.

Claims of neighbouring states

The Indo-Gangetic plain also known as the north Indian river plain, is a fertile plain covering the northern regions of south Asia including mostly northern and eastern parts of India, the eastern parts of Pakistan, and the southern plains of Nepal where Basmati is historically designated to be grown. However, the Madhya Pradesh state, which is in the centre of India, opposed APEDA's GI application as it did not include the areas of Madhya Pradesh where rice has been grown for decades, which has all the required characteristics of Basmati and is in the Indo-Gangetic plains.

The GI Registry allowed the opposition and referred to the data published by the Directorate of Rice Development, Patna. It opined that some of the states such as Madhya Pradesh, Rajasthan and Bihar have Basmati cultivation and these areas were uncovered in the GI application. It added that the applicant has therefore failed to satisfy the fundamental requirement of clear, specific, and reasoned demarcation of Basmati-cultivation areas. APEDA was directed to file an amended GI application including the uncovered area, with a map of the region demarcating the area of production.

This decision has led to strongly contested appeals by both parties in the past 11 years, resulting in the Supreme Court's directions remanding the matters back for fresh consideration by the GI Registry.

Basmati war at the EU

Basmati producers from India recently faced another battle when, on September 11 2020, Pakistan objected to India's claim in the EU seeking GI status for its Basmati rice as it would affect Pakistan's exports. In January, Pakistan attached GI status to Basmati in its home country to help Pakistan contest India's claim of exclusive rights. Meanwhile, Nepal has also claimed a GI right on Basmati in the EU based on trademark protection in its home country in the absence of a GI law.

While it is crucial to preserve traditional knowledge, indigenous rights and appellations of origins, it is a complex area when borders divide nature's offerings. Although several countries have come up with sui generis laws to protect their rights in the products that are unique to them, it remains a continuous battle to prove the ownership and enforce rights against exploitation by others.

While a GI registration in the home country helps to claim reciprocity in other countries, the government and the association of local producers need to bring out clear regulations to monitor the quality of products to realise their commercial value. A GI registration with quality assurance is the need of the hour and will help producers receive a fair price.

JAPAN

Japan Supreme Court acquits defendant in Coinhive case

Abe & Partners

Takanori Abe

Summary of the case

This complex case concerning computer mining involves a party known as Y that was operating a music website (referred to as X) in September 2017.

Coinhive is a web service launched by the Coinhive team in September 2017. The service provided the operators of a website who subscribed to the service (the subscriber) with the program code enabling the subscriber to obtain the program code (the main program) to execute a mining operation.

This operation enables the subscriber to instruct the central processing units (CPUs) used by website visitors to calculate an approval of recording transaction histories to the transaction ledger of the cryptocurrency Monero, without the visitor's consent.

The operation enables the subscriber to acquire the cryptocurrency as a reward upon the success of the calculations: 70% of the cryptocurrency was assigned to the subscriber and 30% to the Coinhive team. When the program code was installed on the subscriber's website, the mining would be executed by the visitor's computer and the subscriber could receive a share of the reward.

The mechanism of mining used by Coinhive was as follows:

1. A visitor browses the website on which the above-mentioned program code is installed.
2. On receiving certain commands of the program code, the visitor's computer is automatically connected to the server computer to which the main program is installed.
3. The main program is loaded and receives a command for mining.
4. The CPU conducts a calculation subject to the above command.
5. The mining process ends when the visitor ceases browsing.

Y subscribed to Coinhive in order to earn profit via its website X on September 21 2017 and was provided with a program code. Y then installed the program code with the explanation of the site key assigned to him (the program code) to X on the server computer and stored it in the file constituting X during the period of dispute.

Although the mechanism to have a visitor's computer conduct mining to earn profit from a website was not known to general users at that time, Y kept storing the program code without either installing specifications to obtain consent from visitors, or providing an explanation regarding the mining or representing the fact that mining was processing.

Y adjusted the CPU usage of the visitor's computer to 0.5. As a result, the power consumption of the visitor's computer increased slightly and the processing speed of the CPU slowed down somewhat. Those effects were not large enough to be recognised by visitors and there was no significant difference compared to programs displaying advertising that are widely used on websites.

Judgment of January 21 2022, Supreme Court

The Yokohama District Court acquitted Y. The Tokyo High Court found Y guilty and imposed a fine of Y100,000 ($ 900). The Supreme Court (Presiding Judge Yamaguchi) reversed the judgment and rendered a further judgment finding Y not guilty.

The crime of making of electronic or magnetic records containing unauthorised commands is intended to protect the social trust that programs for data-processing by computers do not give "unauthorised commands to prevent a computer from performing functions in line with the user's intention or have it perform functions against the user's intention".

Consequently, this crime protects the social functions of computers, given that malicious programs executed against the user's intention cause damage to society and constitute a serious problem. To achieve this purpose, the crime punishes, under certain conditions, the creation, provision, storage, etc of programs that give commands that are against the user's intention, socially unacceptable and unauthorised.

It is reasonable to consider that "against the user's intention" means when the actual operation of the program differs from the operation which general users can recognise. In confirming the operation that general users are to recognise, not only the content of the program operation but the name of the program, the content of the explanation of the program operation and the assumed way of utilising the program need to be considered.

In addition, it is reasonable to consider that lack of authorisation refers to a socially unacceptable program from the perspective of protecting the social trust in data-processing by computers and the social functions of computers. In addition to the content of the operation of a program, it is important to consider whether or not and to what extent the operation of the program has an impact on the functions of computers and data-processing by computers and how the program is supposed to be used.

The website X was not designed to obtain consent for mining to be executed while browsing, and there was no explanation regarding mining and no representation that mining was executed. The mechanism of having the visitor's computer execute mining as a method to earn profit from website was not generally recognised.

Taking these circumstances into account, it could not be said that general users should recognise the operation of the program code. Thus, "against the user's intention" is affirmed.

The impact on the functions of computers and data-processing by computers which are important factors in light of the legal interest is limited to using the CPU of the visitors' computers while they are browsing website X. The effect is the slight increase of power consumption and slowing down the processing speed of the CPU and is not large enough to be recognised by visitors.

In addition, the mechanism that an operator of a website earns profit through browsing is important for information distribution through the website. Y used the program code with such a profit-making mechanism. There is no significant difference regarding the impact on the functions of visitors' computers and information processing by computers between the program code and the socially accepted advertising programs.

These programs are executed without visitors' prior consent and use a visitor's computer to a certain degree while browsing in a similar way. Both programs can be considered socially acceptable.

Furthermore, the mining itself, which is the content of the operation of program code, is a mechanism to ensure the reliability of cryptocurrencies. It is therefore difficult to consider it to be socially unacceptable.

As a consequence, the program code cannot be considered as socially unacceptable and lack of authorisation cannot be affirmed.

Practical tips

This case was selected by the Ministry of Justice as one of 10 complex and difficult cases, and has caused intense controversy. Evaluations of the case have been divided even among internet users.

Some users said that Y was making money by using the CPUs of other users' personal computers without consent and this was ethically unacceptable; while other users argued that the program is not a computer virus, is no different from online advertising and can be regarded as suggesting an alternative means of monetisation to online advertising.

There were also opinions that if this program is deemed illegal, the owner of any kind of website would be required to announce to every visitor that it would use the CPU of visitors' computers.

The police argued that Y was forcing visitors to the website to execute mining operations without letting them recognise it and it is malicious as it was using other people's computers to earn money without any notice.

The prosecutors argued that it is salami-slicing and the effect is not minor, and is equivalent to cryptojacking and is policed as cybercrime internationally. The prosecutors also argued that if the activity were not found to be illegal, Japan would become the target of abusive use of CPUs from all over the world without consent.

However, the defence counsel argued that there is no practice of obtaining the consent of the visitor in executing individual JavaScript programs; that if such programs were illegal, it is difficult to draw clear lines between this case and Google Analytics or other advertisements; that it would give a chilling effect on program development in Japan; and that in this case, JavaScript was installed on the website of Y making it completely different from cryptojacking.

There was a view pointing out that when the bill for this crime was passed by the Committee on Judicial Affairs, House of Councillors, there was a supplementary resolution stating: "In investigating this crime, efforts should be made to utilise it appropriately so that it will not have any negative impact on the development and distribution of software, taking into account the freedom of expression guaranteed by the Constitution of Japan."

Another view pointed out that the program is excluded from the type of computer virus that was assumed at the time of legislation. Norton blocked access to sites with Coinhives embedded.

After the judgment of guilt in the Tokyo High Court, the defence counsel sought opinions on the website of the Japan Hackers Association, and submitted 47 written opinions to the Supreme Court.

The Supreme Court affirmed the "against the user's intention" finding, pointing out that there was no consent from the visitor, no explanation or representation of the mining, and no general recognition of the mining. However, the Supreme Court did not find lack of authorisation, considering the specific disadvantages to visitors, and held that the lack of prior consent of the visitors was the same as the socially accepted advertisements.

The five justices were unanimous in their opinions, and there were no supplementary or dissenting opinions.

In response to the Supreme Court judgment, some commentators have speculated about what the outcome would be if newspapers and news agencies ceased displaying advertisements and instead covered the running cost of their own sites with unauthorised mining (Emeritus Professor Sonoda). Others have pointed out the possibility that the judgment might differ if the mining program significantly consumed the CPU and memory.

MEXICO

Mexico transforms patent processes by adapting online solutions

OLIVARES

Mauricio Sámano

Since the pandemic started in March 2020, social distancing has become a necessity and has led businesses to rethink the way they work. Employees are now avid users of electronic platforms and spend long hours at the office, which for many is our home office.

A few years ago, the Mexican PTO (IMPI) developed an electronic platform for filing and prosecuting patent applications. However, before March 2020, only few law firms used this electronic platform since it had many details that needed to be addressed and was very slow to use. Nevertheless, IMPI improved the platform and in March 2020, once the pandemic started, suddenly all applications needed to be filed electronically because the Mexican PTO remained closed from March 24 2020 until July 12 2020 which made physical filing impossible during this period.

Once IMPI reopened, new filings have continued to be made in the electronic platform since it has several advantages such as cost efficiency (less use of paper and ink and a person does not need to physically go to the patent office to file the application). Applications filed through the online platform have also seemed to enjoy a more expedited prosecution.

Furthermore, the Mexican PTO developed a new alternative during the pandemic in which it is possible to request electronic conversion for applications that are being prosecuted physically. By paying a small fee, the applicant may switch from physical to online prosecution which has the advantage that responses can still be filed regardless that the Mexican PTO is opened or closed. Several of the firm's clients have decided to make this electronic conversion of their files.

It is a fact that COVID-19 is here to stay but the experiences that one can take from this pandemic are permanent and in the case of Mexico, the online era for patents has begun.

NEW ZEALAND

New Zealand's trademark trends of 2021, and what might happen in 2022

AJ Park

Kate Giddens

In November 2020, the Intellectual Property Office of New Zealand (IPONZ) reported record high filings of national trademarks following a 1% dip in total filings from July 2019 to June 2020.

Jump forward to November 2021, and IPONZ has reported that September 2021 set a new record for the largest number of classes filed, fuelling a 10% increase in filings from the previous year. As in 2020, the growth in filings over the past year has been driven by national applications, with small increases from designations via the Madrid system.

Goods and services on trend

New Zealand trademark filings reflected international trends around the protection of cannabis products for recreational and medical cannabis use. Cannabis brand owners have continued to seek protection for their trademarks, despite the proposed Cannabis Legalisation and Control Bill being rejected in the 2020 public referendum.

In 2020 there was a 75% increase in trademarks containing 'cannabis' with numbers holding steady in 2021.

Non-fungible tokens (NFTs) burst into mainstream media with record sales in early 2021, along with the new task of classifying these goods and the related services, along with talk of web3 and the metaverse. Reese Witherspoon recently tweeted: "In the (near) future, every person will have a parallel digital identity. Avatars, crypto wallets, digital goods will be the norm. Are you planning for this?" It would appear brand owners of traditional physical goods and those of the new digital kind are doing so.

In 2021 the number of New Zealand trademark applications that contained the term NFT or 'digital token' rose by 542%, applications that contained 'cryptocurrency' were up 160%, and applications mentioning 'blockchain' increased by 67%.

Trademarks on trend

In New Zealand, trademark applications containing Māori words (kupu) or imagery are referred to the Māori Trade marks Advisory Committee (MTAC) for its advice. The MTAC's role is to advise if the use of the trademark on the goods and services applied for would be offensive.

Over the past two years, the record numbers of national filings have also seen increases in national trademark applications noted as containing Māori words (kupu) or imagery. In the year ending September 2020, filings increased by 21%. In the same period in 2021, this grew again by 31%.

The year ending September 2020 saw an 88% increase in designations via the Madrid system (the Māori language often shares words with other languages such as Japanese and Hawaiian). This number decreased by 7% in the period ending September 2021 but was still up a considerable amount on the 2019 figures.

The importance of drawing on New Zealand's culture to help differentiate a brand needs to be finely balanced with celebrating Māori language, imagery, and Māori culture or mātauranga Māori respectfully. This principle will ensure that taonga (treasures, including socially or culturally valuable objects, resources, phenomenon, ideas and techniques) are not misused, tikanga (values, practices and protocols) are not diluted, and that Māori culture is not exploited solely for commercial gain.

This increase has been noted by the MTAC and the New Zealand profession alike. They are keen to ensure clients understand and obtain specialist advice to ensure that the use of Māori words (kupu) or imagery is appropriate and not offensive.

The MTAC and IPONZ trademark examination team are working together on revising the Practice Guidelines to include more guidance for those seeking to protect marks that comprise or contain elements of Māori culture.

Legislative changes to look out for

The pandemic undoubtedly slowed down legislative change as parliament focuses on priorities elsewhere.

The long-awaited Copyright Act review was set for the release of the consultation paper in 2021, but paused in early 2021 to allow resource prioritisation and remains so until the Free Trade Agreement with the UK is finalised and signed.

An exposure draft of the IP Laws Amendment Bill was due for release in mid-2021 but is now expected to be released in March/April 2022. Key points to watch for include:

- Tightening of the criteria for registration of series trademarks, and placing a cap on the number of marks that can be included as a series;
- Allowing prior continuous use of a trademark to be considered as a means to overcome a citation, similar to that provided for under Australian law;
- Providing partial refusal of national trademark applications, allowing for acceptance of the non-refused goods/services where the applicant does not respond to the objection within the timeframe; and
- The removal of the 'aggrieved person' requirement when applying to revoke or invalidate a trademark registration.

"In 2021 the number of New Zealand trademark applications that contained the term NFT or 'digital token' rose by 542%."

Looking forward to 2022

The emerging trends we saw in 2021 are expected to stay.

Trademark filings, particularly national filings, are likely to continue to increase and perhaps break new volume records. New and existing brand owners seek to protect their brands for emerging technology in preparation for web3 and the metaverse.

New Zealand brands are likely to continue to draw on New Zealand's history and culture to differentiate themselves, including applying for trademarks that contain or draw on Māori words and imagery. 2022 should also provide more guidance on this use, potentially new trademark regulations to facilitate the protection of these new IP rights.

PHILIPPINES

Disclosing name does not avoid unfair competition in the Philippines

Hechanova & Co

Editha R Hechanova

Who owns the trademark Chin Chun Su? Elidad Kho dba KEC Cosmetics Laboratory and Summerville General Merchandising have been quarrelling over the ownership and use of the Chin Chun Su mark for facial cream, and have filed cases against each other, for over 30 years.

It appears that this controversy is not about to end, since the Supreme Court has ruled that probable cause exists, and has remanded a criminal case for unfair competition back to the lower court for trial (*Elidad Kho and Violeta Kho v Summerville General Merchandising & Co* (GR No 213400, August 4 2021)).

A quick internet search shows that both parties (Spouses Kho and Summerville) are selling their Chin Chun Su products online (see illustrations).

Spouses Kho's Chin Chun Su

Summerville's Chin Chun Su

Background to the dispute

Elidad Kho's right derived from a deed of agreement executed in its favour by a Quintin Cheng, the sole distributor of Chin Chun Su in the Philippines, as authorised by the trademark owner Shun Yih Chemistry Factory of Taiwan (Decision 2003-20 of Inter Partes Case 3850 of the Bureau of Legal Affairs (BLA) of the Intellectual Property Office of the Philippines (IPOPHL)).

This decision also showed that the authority to Quintin Cheng had been terminated. Summerville submitted evidence of its authorisation to register the trademark in its name from Shun Yih Chemistry Factory. On March 19 2003, the BLA ruled that Summerville was the rightful owner of the mark Chin Chun Su and denied the Elidad Kho's application to register the mark.

Another case was decided by the Supreme Court between the same parties on March 19 2002 (GR No 115758). This was a civil action in which Elidad Kho sought an injunction and damages, relying on its copyright registration and trademark registration in the Supplemental Register for Chin Chun Su.

After many contentious motions were filed, the Supreme Court ruled that Elidad Kho had no right to support its claim for the exclusive use of the trade name and container, since both are proper subjects of a trademark, and not copyright which is confined to literary and artistic works that are original. Since Elidad Kho had not proven that it has a clear right over the Chin Chun Su mark and container, there was no basis for the issuance of a final injunction.

Supreme Court decision

Case 213400 can be traced to a criminal complaint for unfair competition initiated by Summerville in which the Department of Justice (DOJ) found probable cause and filed the Information (criminal complaint) before the Regional Trial Court of Makati City (RTC). After the case had gone back and forth before the DOJ, RTC, Court of Appeals, and Supreme Court, the latter finally issued a Resolution ordering the case to be remanded to the RTC to independently evaluate its merits and to determine whether or not probable cause exists to hold Spouses Kho for trial.

The RTC Manila (Branch 46) issued an order finding that there is no probable cause to hold Spouses Kho for trial on the ground of unfair competition. It held that the accused Spouses Kho never deceived the public into believing that the facial cream products contained in a pink oval-shaped containers with a trademark of Chin Chun Su were the same as those being distributed by Summerville.

The lower court also stated that Spouses Kho acted in good faith and without intent to deceive the public. The case was elevated to the Court of Appeals, which reversed the ruling of the lower court and found that there was probable cause to bring Spouses Kho to trial. The case was then brought before the Supreme Court.

Supreme Court's reasoning

The Supreme Court upheld the ruling of the Court of Appeals and found that the acts complained of constituted probable cause to charge Spouses Kho with unfair competition. Citing Section 168 of the IP Code on unfair competition, the Court listed the essential elements to hold a person liable for unfair competition:

- Confusing similarity in the general appearance of the goods; and
- Intent to deceive the public and defraud a competitor.

In its decision, the Supreme Court stated that the "confusing similarity may or may not result from the similarity in the marks, but may result from other external factors in the packaging or presentation of the goods. The likelihood of confusion of goods or business is a relative concept, to be determined only according to the peculiar circumstances of each case. The element of intent to deceive and to defraud may be inferred from the similarity of the appearance of the goods as offered for sale to the public."

The Supreme Court noted and established that the contending products are similar in the following respects: (i) both are medicated facial creams, (ii) both are contained in pink oval-shaped containers, and (iii) both bear the trademark Chin Chun Su.

It further held that the fact that Spouses Kho declared the manufacturer's name in its product did not change the fact that it is confusingly similar to that of Summerville's product in the eyes of the buying public.

The Supreme Court finally determined that the general appearance of Spouses Kho's products is confusingly similar to that of Summerville's, and thus: "The acts complained of against them constituted the offence of unfair competition and probable cause exists to hold them for trial." The saga continues.

SOUTH KOREA

Continuing your application through the 'separated application' system

Hanol IP & Law

Min Son

On October 19 2021, the Korean Patent Act was amended to allow a 'separated application', so as to pursue potentially allowable portions of the pending claims even after an appeal against a final rejection has been rejected (Article 52bis). This separated application system is different from the existing divisional application system, and will be effective from April 20 2022.

Current procedural options are insufficient

Under Korean patent practice, an application is either allowed or rejected in its entirety (all or nothing), although substantive examination is performed on a claim-by-claim basis. While granted patents are invalidated on a claim-by-claim basis, entire applications, including both potentially allowable claims and rejected claims, have been rejected even when the rejection was directed only to some of the claims (Supreme Court Decision *2001Hu1044*).

Meanwhile, under the current law, claim amendments or divisional applications are not possible 'after' an appeal against a final rejection has been filed with the Intellectual Property Trial and Appeal Board (IPTAB). In this situation, there is no way to protect any potentially allowable claims which are present in the rejected application unless such appeal has a favourable result. Accordingly, as a precautionary measure, applicants have typically used an option to file divisional applications 'at the same time' that they appeal to the final rejection.

Further safeguards will be available

As of April 20 2022, applicants will be able to enjoy a further safeguard since the separated application will be allowed in such situation. This will also be useful when applicants have missed filing of a divisional application. Compared with divisional applications, the separated application can proceed in the manner as illustrated below.

Time limits for filing

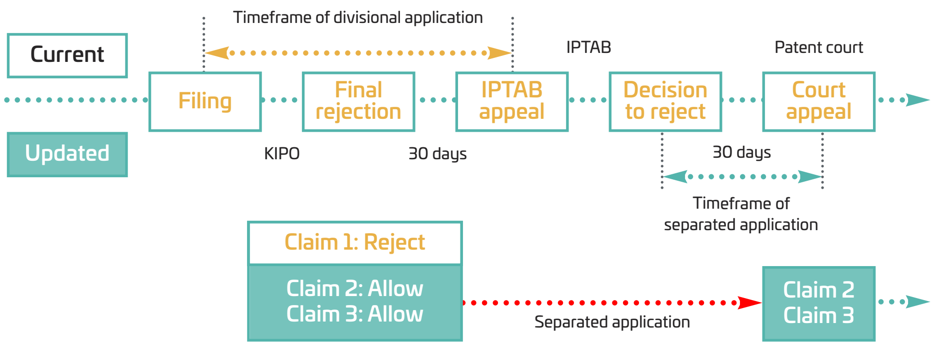
A separated application can only be filed within 30 days of the receipt of an IPTAB decision to reject an appeal against the final rejection; since this deadline can be extended by 30 days, the filing of a separated application is also possible by the extended deadline (Article 52bis(1)).

Requirements for subject matter

A separated application is allowed within the scope of the original disclosure of the parent application. The claims are limited to any one of the following (Article 52bis(1)):

1. A claim which was not rejected in the final rejection subject to appeal;
2. A claim which is drafted by removing from a rejected claim the selective features on which the final rejection was based;
3. A claim of item 1 or 2, which is drafted by narrowing the claim, correcting a clerical error(s), or

Figure 1: How the 'separated application' will work



clarifying an unclear description(s); and

4. A claim of any one of items 1 to 3, which is drafted by deleting subject matter which goes beyond the original disclosure of the parent application

Requirements for formalities

The separated application (specification and drawings) cannot be filed in English, and the claims must be submitted at the time of filing (Article 52bis(3)). The applicant(s) must be the same as those of the parent application.

Effective filing date

Like a divisional application, a separated application benefits from the same filing date of the parent application, and can also enjoy the priority benefits of the parent application (Article 52bis(2)).

Prosecution/grant

Like a divisional application, a request for examination can be filed within 30 days of the date of filing a separated application (Article 59(3)). It is possible to obtain a patent rapidly since only the allowable portions of the claims are separated from the parent application.

Violating the requirements for subject matter according to Article 52bis(1) will be grounds for rejection, grounds for third-party observation, and grounds for invalidation.

Limitation

A separated application is not allowed to use an option to file a request for re-examination along with an amendment when a notice of allowance or a notice of final rejection is issued (Article 67bis(1)); thus, it has fewer opportunities to file an amendment compared to a divisional application.

Further, separated applications are banned from further continuing the application since they cannot be a basis for filing a next generation of divisional or separated applications, or filing a conversion between patent and utility model applications (Article 52bis(4)).

Significance

With recent legal updates, South Korea has changed to a more flexible system that allows more procedural options to applicants. Accordingly, it is expected that applicants can manage their IP portfolio more strategically by using options at various stages of the prosecution to achieve the best results.

This new separated application system applies to utility model applications as well as patent applications. Separated applications are available for applications where an appeal against a final rejection has been filed with IPTAB on or after April 20 2022.

TAIWAN

AI is not an inventor, Taiwan's IPC Court rules

Saint Island International Patent & Law Offices

Tony TY Chang

Can an artificial intelligence (AI)be named as an inventor? This question was brought before Taiwan's Intellectual Property and Commercial Court (IPC Court) this year, and the judges' answer was a loud and clear 'no' rather than a hesitant 'not yet' (*Thaler v Taiwan IP Office (TIPO)*, 110 Xing Zhuan Su 3, Taiwan's IPC Court (August 2021)). The AI inventorship issue had never been addressed in a Taiwan court before this case.

Delivered on August 19 2021, this decision upheld the Taiwan IP Office's ruling that rejected a Taiwan application filed by Stephen Thaler based on European patent 18275174.3 for "Devices and Methods for Attracting Enhanced Attention." In the application, DABUS (an AI system developed by Thaler's team) was named the sole inventor.

Thaler candidly disclosed that "this invention was invented by DABUS which is an artificial intelligence system and the sole inventor. Namely, this invention was not invented by a human inventor". In the administrative litigation, he further asserted that DABUS conceived this invention independently.

IPC Court's reasoning

Although Taiwan's Patent Law does not explicitly preclude a non-human inventor, the IPC Court decision cited some of the most important bylaws to affirm this rule.

First, it is stated in the Patent Examination Guidelines that an inventor must be a human, or a natural person in the legal term. Further, the Enforcement Rules of the Patent Law require disclosure of an inventor's name and citizenship/nationality in a patent application; this formality requirement was found by the court to be aiming to protect human inventors' personality rights.

Turning to the legislative intent and the policy of the Patent Law, the IPC Court averred that the patent system is designed for the encouragement and protection of the fruits of human's mental activities. In light of this, an inventor can only refer to a human who completes an invention through '(human) mental creation'. AI is not a human, and not even a juridical person. It is merely a 'thing' and a thing can only be an object rather than a holder of rights, the court said.

As the court hearings for this case ended on July 29 2021 and no new evidence was allowed thereafter, the court had no chance to consider Thaler's recent win in Australia, where on July 30 2021 he successfully convinced the Australian Federal Court that an AI may be an inventor. However, even if the Australian court decision had had a chance to enter the IPC Court, its reasoning might not fit into the Taiwanese context.

In Taiwan's patent law, the Chinese term for the word inventor literally means "an invent-person", which leaves little room, compared to "inventor," for a broader interpretation (such as that rendered by the Australian court) viewing it as an agent noun not necessarily linked to a human being.

Juridical persons

Another interesting point is that, as Taiwan's Copyright Law provides, an author can be a juridical person, like a corporation. But juridical persons are not human beings and hence not qualified inventors in the realm of patent law. This inconsistency appears more challenging when authors are compared with designers.

Under the practices and bylaws of the Patent Law which govern designs, only a human can be a designer, but a design is sometimes also a copyrightable work and they share the same creator. Pointing out this inconsistency, Thaler's attorneys asked: why cannot the Patent Law accept non-human inventors just as the Copyright Law accepts non-human authors? The IPC Court, however, chose not to address this argument, possibly because, even if it was held to be correct, it could at best lead to the conclusion that a juridical person can be named as an inventor, but AIs are not juridical persons.

Whatever the outcome, Thaler and his team displayed remarkable spirit of fair play in this case by voluntarily and unambiguously revealing DABUS's AI identity and its contribution in the invention.

In a Taiwanese patent application, inventor information required by TIPO is limited to an inventor's citizenship/nationality, name, and Chinese translated name only. No disclosure beyond this point is required, and no submission of an assignment from the inventor is needed unless and until the applicant's standing is challenged, yet only a person asserting to be the 'genuine applicant' is allowed to make this challenge.

When all these facts are put together, it becomes possible for an identity-concealed AI to be taken as a human inventor in an application, especially when its name sounds like a human. The critical issue might turn out then to be the nationality of AI – can AI have a nationality (like a vessel)? – DABUS was described as stateless in the Taiwan application, but a stateless inventor always rings an alarm to examiners even before AIs are employed in innovation.

All in all, what can be said of the current legal system of Taiwan is that even if an AI passes the Turing test now, it may still have difficulty passing the inventor test. Yet the tricky part is that an AI disguised as a human may pass at least the formality examination unnoticed in a patent application. This is something the IP community should all watch out whichever stand we take on the question of whether an AI can be named as an inventor.

TURKEY

Dilemma over well-known trademark registry continues in Turkey

Gün + Partners

Uğur Aktekin and
Begüm Soydan Sayılkan

We have previously reported on the Turkish Court of Cassation's decision concluding that the Turkish Patent and Trademark Office (the office) has no authority to create and maintain a registry for well-known trademarks and discussed the possible repercussions of this decision for trademark owners (Turkey well-known trademark registry is again open for debate).

In this article we will examine how practice has been shaped in the light of this decision, offer tips for brand owners during this interim period and predict what to expect in future.

The Turkish Court of Cassation's decision (No. 2019/2980 E-2020/991 K dated February 5 2020) had been finalised without the review of the General Assembly of the Court of Cassation, which could unify the jurisprudence in the event of resistance against the decision. But the court of first instance did not resist in its decision. The plaintiff appealed the decision of the first instance court but since the same chamber of the Court of Cassation examined it, the appeal was dismissed. Therefore the decision of the court of first instance rendered in accordance with the Court of Cassation's decision has become final.

Developments since the decision

Following the decision of the Court of Cassation, we have observed that in practice the first instance IP courts and regional courts of appeals have adopted the decision of the Court of Cassation and given dismissal decisions in pending court actions that are of the same nature.

Recent decisions of the courts that we have reviewed made reference to the decision of the Court of Cassation and the reasoning was the same: the office has no authority ordered by law to keep an official registry for recording well-known trademarks and there is no legal benefit in initiating a cancellation action against the office due to the rejection of an application to record trademarks as well-known, since the well-known status of a trademark should be proven in a given case where it is argued in accordance with established precedents.

However, the office has continued to maintain its registry for recording well-known trademarks, and has accepted, processed, and even recorded new trademarks on the well-known trademark registry. The office has also listed the official fee for filing for determination of the trademarks in its updated 2022 tariff, another indication that it will continue its practice.

The Court of Cassation's decision is debatable as it does not provide satisfactory reasoning in making a change from its former precedents that shaped the practice for the last two decades. Indeed, the rules and regulations did not change in essence during this period. Further, a well-known trademark recordation does not prevent the courts from reviewing the well-known status of a trademark in each case and indeed the practice has been that way for many years. On the contrary, implementation has shown that a well-known trademark registry has practical benefits in the oppositions filed by trademark owners before the office.

Differences between courts and the office

At present, there is clearly a dilemma about the well-known trademark registry of the office since the courts and the office have a different interpretation and implementation. While the courts follow the decision of the Court of Cassation, the office has not made any change to its implementation.

Given that the office has not changed its practice, trademark owners may still consider filing a well-known status determination and recordation application if there is evidence and if consequently the chances seem good. However, if the application for a well-known trademark is rejected, there is no benefit in filing a court action against the decision of the office, unless the current precedents of the Court of Cassation change.

Trademark owners that have a recordation of a well-known trademark by the office should closely monitor the implementation of the office in relation to oppositions and consider filing additional evidence proving the well-known status in cases where a well-known trademark record is relied upon.

To our best knowledge as of the date of this article, there is no case before the General Assembly of the Court of Cassation, whose decision would be binding on the courts. Such a decision, if rendered, could urge the office to review its policy and implementation and perhaps lobby for a new regulation clearly authorising the office to record well-known trademarks.

UNITED KINGDOM

Patents Court is running swifter than ever

Bird & Bird

Tristan Sherliker

It is often said that there is a rivalry between the different patent courts of Europe. When it comes to enforcement, they each have different processes and personalities. As well as Germany's quick, split system popular with patentees, the centralised Dutch system is well respected and popular. On the other hand, perhaps unfairly, the Italian courts gained a reputation in the 2000s as a 'torpedo' jurisdiction.

In this strange competition, the UK has always placed highly. They have specialist courts with specialist judges, an emphasis on technical investigation, and a disclosure system that leaves nowhere to hide. All this effort can be expensive – but that is a manageable risk and a calculated one – offset by the fact that the winner recovers their costs (or most of them).

Recently though, slowing pace has been the downside to the UK's system. In the last few years, demand for the court's time, has at times, exceeded the court's capacity. However, excitingly, there are signs that this is changing. Over the last year, the court's diary has moved more quickly, cases are taking less time to get to trial, and the machine has become well-oiled.

Growing efficiency

Clearly this is good news for the UK as a centre of IP excellence. But why the sudden uptick in activity? There are two main reasons: one is banal, but the other more interesting.

That first reason, a purely practical one, is simply that the supply of judges' time has risen to meet that demand. Two new patent court judges have been appointed to meet demand, and the court is also making use of specialist deputy judges to handle cases quickly. This welcome additional bandwidth was sorely needed after a lack of judges that was created for various reasons in 2019 and 2020.

The second aspect is far more interesting: the court process is getting smarter. There has been a spate of innovations and efficiencies in the court's procedures which, taken all together, have really oiled the gears. An example of efficiency comes from lessons learned during the pandemic: after being dragged forcibly into the information age by repeated lockdowns, the court became accustomed to holding whole trials by video link, with electronic papers and witnesses deposed via Teams or Zoom. Now, this has become the norm for shorter hearings, which by default will all be done remotely, reducing the overhead along the road to trial.

Delivery of timely verdicts

The court has also made clear statements that it intends to do justice swiftly. In the Patents Court, there have been clear judicial statements that the court intends to bring patent cases to trial in 12 months or less where possible, and this is being done even in cases of high complexity. Beyond that, the Shorter Trials Scheme procedure – which allows less complex cases to jump the queue – has been used more and more in the context of IP – there have even been full patent cases in the Shorter Trials Scheme.

So, it seems that the English Patents Court is setting out its stall for more business. With the Unified Patent Court (UPC) on the horizon, it will clearly be important for the specialist court to retain and build on its reputation. There is even more reason for optimism here too, as Lord Justice Birss, a pre-eminent IP judge, has recently been appointed as Deputy Head of Civil Justice. He has made it clear that he will be spearheading further moves towards swift, modern dispute resolution in the coming years.

VIETNAM

New decree on IP sanctions is a small step forward in Vietnam

Tilleke & Gibbins

Giang Hoang Bach

On December 30 2021, Vietnam's Ministry of Science and Technology (MOST) issued Decree No 126/2021/ND-CP (Decree 126) amending several provisions of Decree No 99/2013/ND-CP of the government dated August 29 2013 (Decree 99), which is the primary legislation on the sanctioning of administrative violations in industrial property. Decree 126 took near-immediate effect with the new year on January 1 2022.

While the new decree offers some clear improvements that will help enforcement authorities and practitioners to deal with the infringement of industrial property rights, it has some notable shortcomings compared to a draft version of the decree that was circulated in mid-2021.

Key changes in Decree 126

While Decree 126 retains most of the regulations in Decree 99, it introduces some significant changes such as expanding the scope of regulation, increasing the level of administrative fines, and providing more specific details on violations as well as remedies.

First, Decree 126 has expanded the scope of its coverage under Article 1, and added a new sub-article explicitly listing the entities that are subject to administrative sanctions, such as companies, IP agencies and IP examiners. This new provision allows the enforcement authorities to easily detect and apply sanctions to infringers.

Decree 126 has also empowered the seizure authority in many provisions. Under the previous regulations, the authorities could only confiscate material evidence and means used in the commission of administrative violations when the total value of such materials did not exceed the amount of the fine for the violation. Under Decree 126, the total value of confiscated materials may be up to twice the set fine amount. This should have a noticeable impact on enforcement efforts.

While some of the provisions in Decree 99 are somewhat vague and, as a result, difficult to apply, Decree 126 has made an improvement by setting forth clearer and more specific regulations about violations and remedial measures. With these provisions more clearly set out in the law, there will be less need for interpretation, which will make life easier for both IP holders and enforcement authorities.

Changes left behind in the draft

Prior to the issuance of Decree 126, in June 2021, MOST had published a draft version of the decree to get comments from professionals and the public. The draft decree, in many ways, would have provided stronger protection to IP holders than the version that was promulgated, and removed some obstacles to enforcement of their IP rights in Vietnam.

One of the highlights in the draft decree was the addition of the export of IP-infringing goods to the list of activities subject to administrative sanctions. Unfortunately, Decree 126 did not retain this change, which will leave enforcement authorities in a difficult position when trying to deal with infringements encountered in exported goods, due to the lack of regulations.

Further, in the draft decree, MOST had specifically set a longer time limit of two years for imposing administrative sanctions on IP violations, and also stipulated that repeated violations were aggravating circumstances. In Decree 126, MOST has withdrawn these regulations. As a result, the statute of limitations for handling administrative violations remains one year only. Most IP holders find that this period is quite short for taking effective legal action.

Not all of the new decree's departures from the draft should be viewed as negative. For example, the draft decree limited the ability to apply supplemental sanctions and remedies in all categories by making the confiscation of raw materials, materials and means used to manufacture or trade infringing goods only applicable if 'deliberate and serious' violations were committed during the manufacture, export, import, trade, transport, or storage for sale of goods bearing counterfeit marks or geographical indications.

However, Decree 126 has not laid down any requirements regarding the deliberateness or seriousness of the violation in order to apply supplemental sanctions. In this context, the IP holder is not forced to prove the deliberate and serious nature of the violation in order to apply the remedies, which can be a time-consuming and complicated process.

More importantly, Decree 126 has not removed cross-border transit from all categories of administrative sanctions, as was found in the draft decree. In particular, Decree 126 still explicitly includes cross-border transit as a form of transporting goods, and thus it still falls within the scope of administrative sanctions. At present, many infringers take advantage of the transit regime to trade in counterfeit goods. Hence, the authorities should have the right to address transit shipments to crack down on infringement.

The government is finalising a new version of the IP Law, which is expected to be issued this year. It is hoped that after the new IP Law is in place, MOST will amend and supplement new, stronger regulations on IP sanctions in line with the new law.