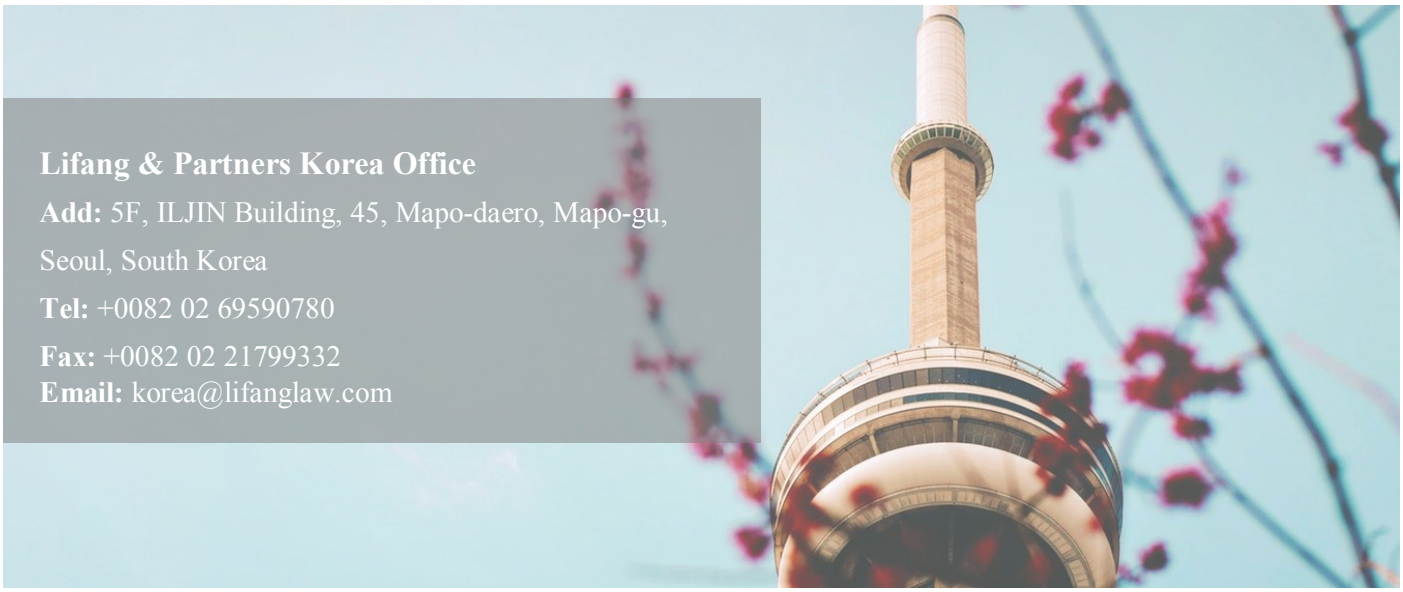
NEWSLETTER No.72
LIFANG & PARTNERS 立方观评 2018.08

Content

Lifang & Partners Celebrates New Office in Seoul

Lifang & Partners, the first foreign firm from Asia to establish an officially approved office in South Korea, held an event to celebrate the opening of its Seoul office at the Le Méridien Hotel in Gangnam, Seoul.

Mr. Xie Guanbin, a managing partner of Lifang & Partners, delivered the opening speech at the event. Mr. Xie introduced Lifang & Partners and explained the significance of the Seoul office to the economic and trade cooperation between China and South Korea. Mr. Xie said that Lifang & Partners would "remain true to [its] founding aspirations", and "aim to provide Korean clients with high-quality legal services in respect of [Chinese] policies and law and help clients create new economic values."



Mr. Han Linghu, the head of Lifang & Partners Seoul Office, is the first Chinese lawyer certified as a Licensed Foreign Legal Consultant by the Korean Ministry of Justice. He has been providing legal consultations and dispute resolution services in the areas of IP and trade since 2000 when he began practising law.

Mr. Han stressed at the ceremony that: "*Korean and Chinese lawyers can learn from each other.*" "*We hope that Lifang can serve as a bridge between Korean and Chinese lawyers.*"

More than 80 guests attended our opening ceremony, including Mr. Sang-Wook Han, President of Korean IP Lawyers' Association, Mr. Ik Soo Park, Head of China Business of Kim & Chang Law Firm, Mr. Young Gil Park, professor Emeritus at Dongguk University, Mr. Dae-Hee Lee, professor of Korea University Law School, and many other colleagues from Chinese or Korean law firms.

Mr. Sang-Wook Han said in his congratulatory message: *"South Korea has always paid close attention to the Chinese intellectual property protection system",* and *"we hope that Lifang can build a bridge between Korean companies in China and Chinese companies in Korea."* Other guests attending the opening ceremony also expressed their hope that the Lifang & Partners Seoul Office would greatly facilitate cross-border investments and relationships between Chinese and Korean companies.

Korean academic circles have also expressed their interest in Lifang & Partners and lawyers entering Korea for the first time. Professor Lee said: "*In recent years, the Chinese economy has developed rapidly, and the importance of learning and studying Chinese law has become increasingly prominent*." "*For Korean academic circles, Chinese Law will also have great significance in legal studies. I hope that the Lifang Seoul Office will promote legal research exchanges between China and South Korea.*"

Founded in 2002, Lifang & Partners is a law firm headquartered in Beijing, with five other offices in Guangzhou, Shanghai, Wuhan, Shenzhen and Seoul, South Korea. Our practice areas are focused on, but not limited to, intellectual property, corporate and commercial law, antitrust and unfair competition, and dispute resolution.

The China-South Korea Free Trade Agreement came into force in December 2015, and according to the agreement, Chinese law firms can establish formal institutions in Korea. On April 18, 2018, the Korean Ministry of Justice approved the establishment of the Lifang & Partners Seoul Office, which is the first branch office of a Chinese law firm established in South Korea. At present, there are 27 other foreign law firms, mainly from the UK and the US, that have established branch offices in Korea.

Lifang & Partners helps "The Voice of China" to come back

On 27 June 2018, the Beijing IP Court made a ruling to lift the restraining order imposed on Shanghai Canxing Culture Media Co., Ltd. (Canxing) that prevented them from using the Chinese title of "The Voice of China" *(Chinese: 中国好声音 Pinyin: Zhōng Guó Hǎo Shēng Yīn)*. This was quickly followed by the State Administration of Radio and Television approving the reuse of the show title. With many in the Lifang & Partners team being fans of the show, we are pleased to have helped The Voice of China make a comeback.

Disputes between the parties started in 2016 after Talpa unilaterally ended Canxing's production license and entered into arrangements with Talent International (Talent) to form a joint venture that would produce the Voice of China. Canxing believed that rights to the Chinese title belong to Zhejiang TV Satellite Channel, who first registered the title for broadcasting purposes in China. As such, when their license was terminated, they stopped using the English title but carried on using the Chinese title. Talent considered the use of the Chinese title to be infringement despite it being officially registered to Zhejiang TV Satellite Channel.

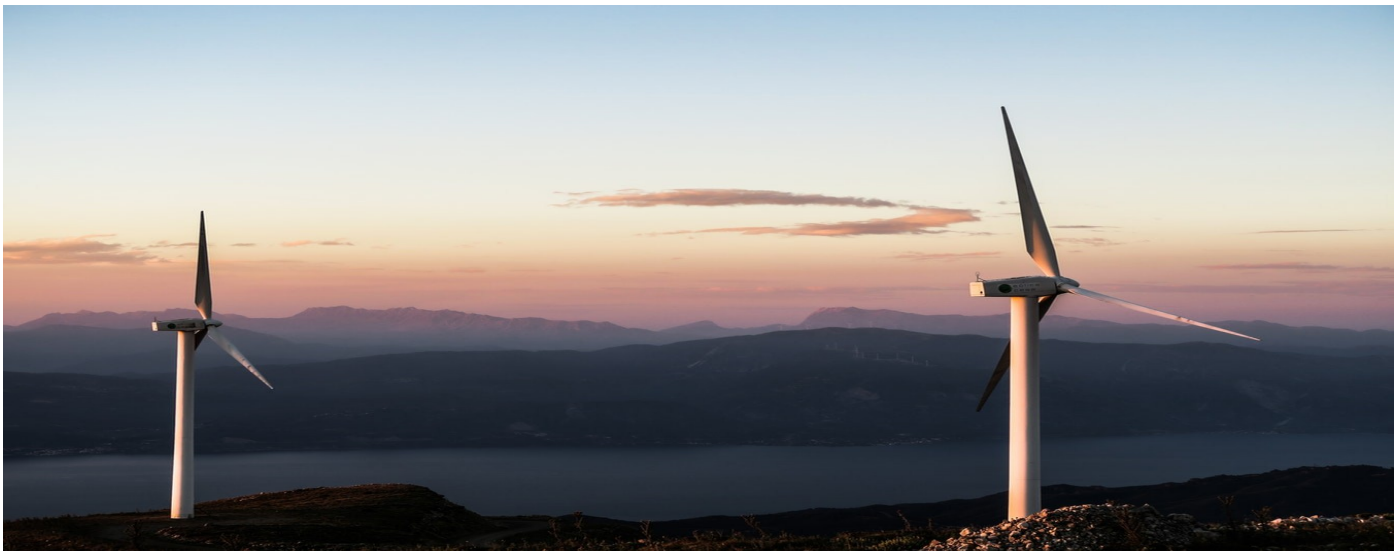
As a result, Talent claimed that Canxing and others had infringed its lawful rights and interests as they used the show title without obtaining an effective license from Talpa. In June 2016, Talent filed an *ex-parte* application for a pre-suit restraining order with the Beijing IP Court that prevented Canxing and others from using the Chinese title. The Beijing IP Court granted the restraining order.

This case is noteworthy because it is the first case in which a pre-suit restraining order was made by the Beijing IP Court. Moreover, as the show previously had extremely high ratings (reportedly 120 million at one point) and the case had been filed just before the beginning of season 5, the dispute captured the attention of the Chinese general public.

Fast forward two years and the situation has turned around for Canxing. On 25 June 2018, Talent settled their dispute with Canxing. As part of their settlement, the parties agreed to drop all lawsuits. This was followed by Talent applying to the Beijing IP Court to have the restraining order against Canxing lifted.

Because the dispute has now been settled, we can soon enjoy the Voice of China once again.

Lifang & Partners helped ensure the return of a much-loved television show. This was achieved through hard work and a firm grasp of the law. Lifang & Partners has rich experience in fields related to television and media and can provide clients with specialist legal services related tovarious aspects of television and media production, distribution and ownership.



With the assistance of Lifang & Partners, American Superconductor ("AMSC") recently reached a settlement with Sinovel regarding copyright infringement and trade secret misappropriation

AMSC instructed the Lifang & Partners IP team to raise proceedings against Sinovel for trade secret misappropriation in the Beijing IP Court. This was a complicated and highly technical case, that involved trade secret theft relating to the core control software source code used in wind turbines that generate renewable energy.

Other related litigations and arbitrations regarding intellectual property infringement and contractual disputes were also raised in the United States and Austria. As the companies involved are well-known listed companies, the damages claimed globally were significant. Moreover, because the disputes involved allegations of trade secret theft at a very sensitive time, they attracted much international public attention.

As the core of all disputes between AMSC and Sinovel, the case in China went through jurisdictional objections, a first and second instance, a re-trial, and proceedings in the Beijing IP Court. At each stage, the case involved several complicated hearings related to evidence, cross-examination, technical comparisons and legal debates. These hearings required a large amount of evidence, technical documents and documents in foreign languages.

As Plaintiff, AMSC had a heavy burden of proof, and so, Lifang & Partners used all possible means to ingather evidence and have it notarized. Additionally, a successful application was made to have key pieces of evidence gathered through judicial preservation procedures.

A settlement was eventually reached between the two parties on 4th July 2018. As part of the settlement, Sinovel agreed to pay USD$ 57.5 million (around RMB 380 million) to AMSC.

Because Lifang & Partners was involved throughout the negotiations, they were able to better use the court proceedings as leverage to obtain a settlement on the best terms possible.

Lifang & Partners is always committed to helping its client resolve disputes and serves the best interests of clients by providing high-quality legal services.

Ms. Liang Hui Joins Lifang & Partners as the Head of the Trademark Agency Team

Lifang & Partners is very pleased to announce that Ms. Liang Hui has joined the firm as a partner and will lead the trademark agency team. Ms. Liang will mainly be based in the Beijing office.

Prior to joining Lifang & Partners, Ms. Liang worked at China Patent Agent (Hong Kong) Ltd. for eight years and acted as the manager of their trademark department for two of those years.

Trademark services are an important component of Lifang & Partners' IP business. With solid expertise, high efficiency and a mature IP management system, the trademark team is able to provide high-quality legal services to clients at home and abroad.

The addition of Ms. Liang to our firm further upgrades the services that we offer at Lifang & Partners. Her experience in trademark agency, litigation and strategy will undoubtedly benefit our clients.

Liang Hui Partner

Ms. Liang has extensive experience in the field of intellectual property, especially in dealing with trademarks. From 1994 to 2002, she worked at the Trademark Office of the State Administration for Industry and Commerce and mainly handled the examination of trademark filings and trademark oppositions. She is an expert in dealing with trademark infringement, well-known trademark determination, trademark licensing and devising strategies for protecting brands.

Lifang & Partners' View

Madrid System – The International Trademark System

Written By Ms. Liang Hui Partner/ Head of the Trademark Prosecution Team

The Madrid System for Trademark registration aims to provide a solution for trademark registration among members. Trademark owners can file a single application to apply for protection in the countries which are Madrid System members. The *Madrid Agreement Concerning the International Registration of Marks* (Madrid Agreement) was concluded in 1891, however many important countries such as USA, Japan, Australia and UK did not accede the Agreement due to some inherent defects of the Agreement. In order to attract more members to the trademark international registration system, the World Intellectual Property Organization (WIPO) actively pushed forward drafting *Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks* (the Protocol), making the Madrid system more flexible and more adaptable to the domestic legislation of the countries that are not the Agreement members. In addition to states party, any intergovernmental organization may also become a contracting party to the Protocol.

For the operation of the two treaties, *Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement* (Common Regulations) passed under the auspices of WIPO in January 1996. The Common Regulations was in force on April 1, 1996. The Agreement, Protocol and Common Regulations simplify the administrative procedures for trademark application and subsequent maintenance, enabling trademark owners to obtain trademark protection in designated countries and regions with the lowest cost in the shortest possible time. The special system for the International registration of marks constituted by the countries and intergovernmental organizations to which the Agreement and Protocol apply is called as Madrid Union on the official website of the Trademark Office of China. Up to June 2018, the Madrid Union includes 101 members, covering 117 countries.

The Madrid System has the following main features:

1. From the date of international trademark registration, if there is no notification of provisional refusal from the trademark office of designated contracting parties, the International Registration (IR) mark will be registered and treated as a national registration. The protection of IR mark is the same as if the mark had been registered by the Office of Contracting Party.

The Madrid System is just a procedural system and the examination of International Bureau is restricted to formalities. The substantive protection after registration is still based on domestic laws, and the Madrid system does not affect the application of domestic laws.

2. The international registration of Madrid System can be considered as multiple national registrations as it can be effective in multiple countries. Since the international registration is only registered with the WIPO International Bureau, all the subsequent management such as changing registrant name and address, renewals and fees, etc., can be processed through the International Bureau. Comparing with the procedures of changes and renewals etc. in each single designated country, the operational process is greatly simplified.

However, the Madrid System is a closed system that can only be used between members. Trademark protection can only be obtained between members of the system.

The main differences between the Agreement and the Protocol:

1. The basis for IR marks is different

A mark may be the subject of an international application only if it has already been registered with the trademark office of origin. However, where all the designations are effected under the Protocol, the international application may be based simply on an application for registration filed with the office of origin.

2. The working language is different

The working language used in the Madrid Agreement is only French, and the working languages used in the Madrid Protocol can be French, English or Spanish. From September 1, 2008, the Madrid Protocol applies to the countries of Madrid Union to which both the Agreement and Protocol apply. Therefore, all new applications are available in English or French.

3. Fees are different

If applying for protection in the country covered by Madrid Agreement members, the cost of the international trademark registration just includes a basic fee, a complementary fee and supplementary fee, all the application fees are paid once. However, a Contracting Party to the Protocol may declare that, such as USA, Japan and UK etc., when it is designated under the Protocol, the complementary fee is replaced by an individual fee, whose amount is determined by the Contracting Party concerned. For example, to designate a IR Mark in Japan, for the first class of goods, it will cost 108 Swiss francs, and for every class beyond the first, it will cost 82 Swiss francs. Besides, the owners need to pay 269 Swiss francs for every class after successful registration, which is why there is the second registration fee in Japan.

4. The refusal period is different

The provisional refusal period for Madrid Agreement members is twelve months, that is to say, if an IR mark has not received a notification of refusal in the past 12 months from the date of registering in the International Bureau, the IR mark is generally accepted in the designated country. The provisional refusal period for Madrid Protocol members is 12 months or 18 months, if declared by the contracting party. For example, the period for refusal is 18 months in the United States.

5. The relationship between the registration in the origin country and IR mark is different.

If a basic registration from Madrid Agreement members has been revoked or cancelled in whole or in part within five years from the date of international registration, whether or not the international registration has been transferred, this trademark will not be protected in all designated countries, that is to say, the international registration is also revoked at the same time. This is called “central strike”.

If a basic application or registration from Madrid Protocol members, within 5 years, if the basic application or registration is cancelled or invalidated, by submitting an application to the Trademark Office designated and paying the set of fees, the IR trademark owners can substitute the international registration to national registration.

6. Qualification for member is different

The Madrid Agreement only allows countries to join. The Madrid Protocol not only allows countries to join, but also regional and international organizations. For example, the EU officially joined the Madrid Protocol on October 1, 2004, and OAPI joined on March 5, 2015.

Madrid System in China

China joined the Madrid Agreement on October 4, 1989 and the Madrid Protocol on December 1, 1995 respectively. According to Article 9 *Sexies* of the Madrid Protocol, when the country in which an international application or registration applies is both the Agreement member and Protocol member, the rules of Agreement do apply. But since September 1, 2008, if both Contracting Parties are party to the Agreement and the Protocol, the designation will be governed by the Protocol. After joined the Madrid system, the Trademark Office promulgated *State Administration for Industry and Commerce, Madrid International Registration of Trademarks Implementing Procedures* on May 24, 1996, which was amended on April 7, 2003. These Measures apply to applications for international registration marks origin from China, IR marks applied for territorial extension for which China is a designated country, and other matters related IR marks.

The Trademark Law, as amended on August 30,2013, added Article 21, which states that trademark applications for international registration shall follow the rules established by the relevant international treaty concluded or acceded to by the People's Republic of China. Specific procedures shall be formulated by the State Council. Therefore, specific procedures were provided in Chapter 5 in the Implementation Regulations for the Trademark Law, which was in force on May 1, 2014. At present, all the IR trademarks, including applications origins from China and applications for territorial extension for which China is a designated country should be in accordance with the Madrid Agreement, the Madrid Protocol, the Common Regulations and the Implementation Regulations for the Trademark Law.

Trademark Office has an International Registration Division that specifically handles the IR applications from the domestic legal persons and natural persons, and carries out examinations on the applications for territorial extensions and other matters related to IR marks in China.

IMPORTANT INFORMATION

This Newsletter has been prepared for clients and professional associates of Lifang & Partners. Whilst every effort has been made to ensure accuracy, no responsibility can be accepted for errors and omissions, however caused. The information contained in this publication should not be relied on as legal advice and should not be regarded as a substitute for detailed advice in individual cases.

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