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IP UPDATE

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Our Winning Invalidation Case: Evidence Required to Achieve Cross-Class Protection at the TRAB

Goods in Class 5 are not usually considered similar to services in Class 35. However, we have recently obtained a favourable decision in invalidating the registration of "  " (the "Disputed Mark") for Hero AG in China.

Here, our client, Hero AG (the "Applicant" in the invalidation application), an international foods company has two prior IR marks "  " (the "Cited Mark 1") and "  " (the "Cited Mark 2") for "baby food; etc" in Class 5, "fast food; etc" in Class 29 and "fruit drinks and fruit juices; etc" in Class 32, while the registrant's services are for "import-export agencies; auctioneering; sales promotion [for others]; advertising; business appraisals; etc" in Class 35.

We filed an invalidation action (equivalent to the opposition proceeding in other countries) where the CTMO did not agree with our case. However, the TRAB subsequently ruled in our favour and supported the invalidation.

TAKEAWAY

We have reported on the trend of Chinese authorities e.g. CTMO being more supportive of cross-class protection despite well-known status not being established. You can find the article here.

Very often, Chinese decisions are brief and do not discuss the ratio decidendi. Therefore it is difficult to know what evidence was considered and the principles that led to the decision. Having said that, through the many decisions we obtain for clients every day, and through analyzing the evidence that we have submitted for each case, we are able to conclude the below:-

- Cross-class protection is not only granted to well-known marks. For those marks which are distinctive and have obtained a certain degree of fame, cross-class protection may also be granted.

- Evidence of bad faith would also be taken into consideration by the examiner and can lead to a successful decision **even when well-known status cannot be proven.** Here, we submitted evidence to show that the registrant filed for this mark the day after we sent a Cease and Desist letter to them demanding a change in the package design of their products. This likely caused the TRAB to decide for our client.

It is therefore important to do as much investigation work as possible into possible bad faith claims so as to bolster an invalidation action in China.

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Product-by-Process Claims in Hong Kong

With population growth, an aging demographic and the development of innovative drugs, the Hong Kong pharmaceutical market is forecasted to grow to over US$2 billion by 2019. Hong Kong is therefore one of the Asia's popular jurisdictions for extending patent protection for new drugs. However, as is sometimes common, exact molecular structure and mechanisms of drug pharmacology are not always known at the time of patent application. Instead, products are described using process methodology or otherwise known as product-by-process. In general, these claims may be in the form of "X obtained by process Y" or "X obtainable by process Y", defining a product X in terms of the process Y.

In Hong Kong, there are no specific provisions or regulations concerning product-by-process claims under the Patent Ordinance. There are two types of patents in Hong Kong, standard patents and short-term patents. There is no substantive examination on either type. A Hong Kong standard patent is obtained through a 2-stage re-registration of a designated patent application granted by SIPO, UKIPO or EPO (designating UK). A short-term patent is obtained through direct filing in Hong Kong, with submission of a search report issued by SIPO, EPO, UKIPO or an international searching authority under PCT Article 16.

Although no substantive examination is conducted, the patentability of a Hong Kong standard patent would depend on its parent patent application on which substantive examination should have been conducted by the designated patent office. For a short-term patent, although a favourable search report is not a pre-requisite for the granting of a patent right, it might be required to prove the validity of a short-term patent in any enforcement proceedings before a court.

Therefore, to answer the question of whether product-by-process claims are allowed and how infringement is assessed in Hong Kong, we will have to explore the respective practices of SIPO, UKIPO and EPO.

In China, it is stated in the Examination Guidelines that for chemical products which cannot be sufficiently characterized by their features other than their manufacturing process, it is permitted to use their manufacturing process to characterize the claims. Therefore, product-by-process claims are allowed in China. During examination on a product-by-process claim, consideration would be given to whether the person skilled in the art can infer that the

manufacturing process is necessary to a particular structure and / or composition of the product which is different from the prior products. This is to say, the product defined in a product-by-process claim should be novel and inventive. Otherwise, the claim would not be allowed even if the manufacturing process is different from its prior art. In practice, the language "obtained by" is often used in this type of claim. The language "obtainable by" might be considered too vague and is likely to be rejected by the Examiner as it may be virtually impossible to define the scope of protection of the claim. For assessing infringement, the process features are considered limiting in this type of claim. In other words, such claims would be infringed upon only if the product is produced by the process defined in the claims. Further, it is unclear whether the doctrine of equivalency can be applied in determining infringement of product-by-process claims.

In EPO and UK, similar to China, product-by-process claims will be admissible only if the products themselves fulfill the requirements for novelty and there is no other information available which could enable the applicant to define the product satisfactorily by reference to its composition, structure or some other testable parameters.

Considering that the granting of a Hong Kong standard patent relies on examination of the designated patent applications by SIPO, EPO or UKIPO, it is obvious that product-by-process claims would be allowed in Hong Kong. As to the determination of infringement, there have not been any court rulings in Hong Kong for reference. However, it can be reasonably deduced that the courts in Hong Kong would take reference to the practices in China and UK. That is to say, the claimed process steps would be needed to be performed in order to infringe such type of claims in Hong Kong.