



China IPR News for U.S. Industry June 13, 2008



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PATENTS

1. RMB 1 Million Award for Invention Patent that Contributes Most to Beijing: At a recent press conference, the Beijing Intellectual Property Office announced the Beijing Invention Patent Prize of RMB 1 million for the invention patent that has made the most significant contribution to the city. The deadline to submit applications is June 20. A panel of experts and a review committee will judge submissions through different specialties. There is a "grand prize" of RMB 1 million, five "first prizes" of RMB 200,000, fifteen "second prizes" of RMB 100,000, and thirty "third prizes" of RMB 50,000. Awards will be based on the quality and socioeconomic benefits of the patents. Applicants need not be registered in Beijing, and can be any domestic or foreign patent holder. The winning

patents must have made outstanding contributions to Beijing's public interest, society, and well-being. (Source: *China IP News*, May 30, 2008, Page 2.)

TRADEMARKS

2. Trademark Enforcement in Pudong District of Shanghai: In 2007, the Pudong District branch of the Administration of Industry and Commerce (AIC) handled 269 trademark cases, with fines and seizures totaling RMB 1,912,900 in 2007. After closure of the notorious Xiangyang Market, some vendors moved to another market near a Pudong subway station. Again in 2007, the Pudong AIC executed three large enforcement sweeps of the market which houses 700 vendors. (Source: *China IP News*, June 4, 2008, Page 6.)

COPYRIGHTS

3. China Launches Second Collective Management Association for Audio-Visual Copyright Issues: On May 28, the China Association for Collective Management of Audio-Visual Copyright was established officially in Beijing, the second collective management organization in China after the China Music Copyright Association. The association will represent rights holders in the collection of royalty fees and legal use of copyrighted A-V programs by Karaoke establishments, radio stations, television stations, and websites. (Source: *China IP News*, May 30, 2008, Page 1.)

4. Shenzhen Enacts First Ordinance for Protection of Graphic Design Copyrights in China: Recently, Shenzhen introduced its "Measures for Protection of Copyright of Graphic Design Works," the first law of its kind. It will help promote the development of an upscale cultural industry, protect the legitimate rights and interests of graphic designers, and improve the system of laws and regulations for IPR protection. The ordinance protects the process of creating graphic design works,

joins copyright filing with registration of works, and links administrative mediation, administrative punishment, and judicial relief, creating a comprehensive administrative protection system. (Source: *China IP News*, May 28, 2008, Page 5.)

ENFORCEMENT

5. Shenzhen Revises Copyright Administrative Punishment Procedures: In Shenzhen, the National Copyright Administration (“NCA”) and the Shenzhen Intellectual Property Office met to discuss the revision of “Measures for the Implementation of Copyright-Related Administrative Punishment.” The NCA first promulgated the directive on January 28, 1997. On July 16, 2003, it was enacted as an administrative regulation to complement the Copyright Law. Key revision areas include the following: 1.) Two new types of administrative punishment – warnings and orders to revoke license; 2.) Modifying the threshold for case transfer to judicial authorities, and lowering the threshold for copyright-related administrative punishment; and 3.) Clarifying jurisdictional issues related to internet piracy to facilitate investigations into infringement and collection of evidence. (Source: *China IP News*, May 30, 2008, Page 9.)

6. Google Sued for Unfair Competition and Copyright Infringement: Recently, the Dongcheng District People’s Court in Beijing accepted an unfair competition case: Beijing Jijia Intellectual Property Agency Co., Ltd. (“Jijia”) v. Beijing Guanglixin International Intellectual Property Agency Co., Ltd. (“Guanglixin”) and Google Information Technology (China) Co., Ltd. (“Google”). Jijia is a patent and trademark agent. In 2000, it obtained the registered trademark of “Jijia UNITALEN and Device” in International Class 42. Jijia discovered that, when its name was entered into Google’s Chinese search engine, one of the search results directed users to Guanglixin’s website, whose home page looked very similar to Jijia’s, including color, layout, arrangement, and content. Jijia claims the Google search engine misleads the public, misdirecting users to a competitor, and constitutes unfair competition. Jijia also claims Guanglixin’s web-page design infringes Jijia’s copyright. Jijia delivered a take-down notice to Google, demanding that it remove the infringing website from its service-provider network. Jijia has asked the court for the following remedies: order Guanglixin to cease its unfair competition and copyright infringement; issue a public statement distinguishing Jijia from Guanglixin; and pay damages of RMB 100,000. (Source: *China IP News*, May 28, 2008, Page 5.)

7. Photographer Wins Infringement Case Against Beijing Metro Advertisers: Cui Xiaohong sued several advertisers in Dongcheng District People’s Court for unauthorized use of her photographic work, “Hukou Waterfall of Yellow River.” Eight stations on Beijing Metro Line 2 displayed the work without permission. The court of first instance ruled that the advertisers did infringe on Cui’s copyright, and ordered the defendants to pay RMB 170,000 for Cui’s economic losses and legal costs. The defendants, Shanxi Provincial Tourist Bureau, Beijing Metro Tongcheng Advertising Co., Ltd., and Beijing Yichen Junyi Technology and Cultural Co., Ltd., appealed to Beijing No. 2 Intermediate People’s Court, which upheld the lower-court verdict, affirming the original judgment. (Source: *China IP News*, May 28, 2008, Page 5.)

8. Counterfeit Cisco Modules Seized in Beijing: In Beijing, the Haidian District branch of the Administration of Industry and Commerce joined with the Public Security Bureau (PSB) to seize 270 counterfeit Cisco computer modules, along with fake Cisco labels, and tools for manufacturing the counterfeit product. Nine people were detained for interrogation and investigation. As the monetary value is over RMB 800,000, the case has been transferred to the PSB for possible criminal prosecution. (Source: *China IP News*, May 28, 2008, Page 6.)

GENERAL IPR NEWS

9. Formal Implementation of Two National IPR Standards: On June 1, the State Intellectual Property Office issued two new publications: *Basic Terms of Intellectual Property Literature and Information*, and *Classification and Codes of Intellectual Property Literature and Information*. Both standardize the use of IPR terms in China. Approved by the General Administration of Quality Supervision, Inspection and Quarantine and the State Standardization Administration, they represent the first national intellectual property rights standards in China. The prior lack of standardization and uniformity of IPR terms affected exchange of IPR literature and information. *Basic Terms* contains 105 standardized expressions, as well as Chinese and English terminology for general IPR, patents, trademarks, and copyrights. *Classification and Codes* uses digital coding to ascertain information in the IPR field, including 139 categories in five major classes (general IPR, patents, trademarks, copyrights, and other items related to IPR and/or protection). (Source: *China IP News*, May 30, 2008, Page 1.)

10. Second Guangdong University Introduces IPR Study Major: Beginning with the 2008 Fall term, South China University of Technology will offer a major in intellectual property rights, becoming the

second Guangdong-based university to offer this degree. Jinan University was the first to do so. The eighty students in the program will study law, management, science, and technology, and receive LL.B. degrees upon graduation. (Source: *China IP News*, May 30, 2008, Page 2.)

INTERNATIONAL IPR NEWS

11. SIPO Notes IPR Cooperation at Sino-Mongolian Conference: On May 26, the third annual Sino-Mongolian Seminar on IPR Law Enforcement was held in Nanjing, Jiangsu Province. Tian Lipu, Director of the State Intellectual Property Office, noted steady increased cooperation between China and Mongolia on IPR issues since the signing of the 2005 IPR bilateral cooperation agreement. This year's seminar focused on law enforcement at the criminal, civil, and administrative levels, and on the role of patent agents in Mongolia. (Source: *China IP News*, May 28, 2008, Page 1.)

12. Spanish Police Crack Down on CD/DVD Piracy Operation Involving Chinese Labor: Spanish police have disrupted an organized criminal syndicate based in Madrid that was producing counterfeit CDs and DVDs on an industrial scale. The group operated burners that could produce 150,000 CDs and DVDs each day, worth an estimated €600,000 daily (US\$ 920,577) or €219 million annually (US\$ 336 million). Police arrested 32 individuals, seized 466,000 blank discs and 306,500 recorded CDs and DVDs, 506 burners, and four delivery vehicles. Authorities also discovered that the gang was involved in human smuggling of Chinese as a labor source. The felons allegedly kept their network of salespeople in semi-human bondage. (Source: IFPI (International Federation of the Phonographic Industry) Press Release, June 5, 2008, http://www.ifpi.org/content/section_news/20080605.html.)
