

# Monthly Newsletter

Issued by Chang Tsi & Partners | [www.changtsi.com](http://www.changtsi.com) | Jul 2024

## Chang Tsi & Partners Hosts Judge Randall Rader: Insights into U.S. Patent Litigation Strategies

### 铸成特邀主题演讲 SPECIAL EVENT



嘉宾 GUEST: **RANDALL RAY RADER** 前美国联邦巡回上诉法院首席大法官  
Former Chief Judge of the United States Court of Appeals for the Federal Circuit  
1988 美国联邦索赔法院法官 Judge of the United States Court of Federal Claims  
2010 联邦巡回上诉法院的首席法官 Chief Judge of the United States Court of Appeals for the Federal Circuit

#### 演讲主题 TOPICS

1. 中国企业在美专利诉讼的挑战和策略  
Challenges and Strategies for Chinese Companies in U.S. Patent Litigation
2. 美国专利诉讼的现状和发展趋势  
Current Status and Trends of U.S. Patent Litigation

#### 活动议程 AGENDA:

1. 介绍 Introduction (30mins)
2. 演讲 Speech (30mins)
3. Q&A (30mins)

Chang Tsi & Partners is honored to have welcomed renowned international expert in intellectual property law and former Chief Judge of the United States Court of Appeals for the Federal Circuit, Randall R. Rader, for a special lecture on July 8th. The topics included "Challenges and Strategies for Chinese Enterprises in U.S. Patent Litigation" and "Current Trends in U.S. Patent Litigation," aimed at enhancing the firm's team capabilities and strategic outlook in international patent litigation. Hosted by founding partner Spring Chang, the event was well-attended by young lawyers and clients both online and offline, receiving enthusiastic feedback.



Judge Rader is a respected authority in the fields of intellectual property law and judiciary. Appointed by President George H. W. Bush in 1990 as a judge for the Federal Circuit, he served as Chief Judge from 2010. Prior to his judicial career, Judge Rader advised the U.S. Senate Judiciary Committee's subcommittees and provided legal counsel to multiple committees in the U.S. House of Representatives.

Since retiring from the bench in 2014, Judge Rader founded The Rader Group, focusing on arbitration, mediation, and legal consultancy. He also lectures globally at law schools, sharing his extensive experience in intellectual property policies and litigation.

The lecture was divided into three parts, with Judge Rader outlining his legal career and The Rader Group, followed by detailed discussions with attendees on strategic choices and challenges in U.S. patent litigation. He emphasized the crucial role of U.S.-China cooperation in intellectual property, patents, and high-tech industries, stressing the importance of communication and collaboration between the two countries. During the Q&A session, Judge Rader engaged deeply with both in-person and online audiences, discussing legal differences between the U.S. and China, case handling procedures, and strategies for selecting lawyers. He highlighted the significance of assembling a competent team and devising suitable litigation strategies for achieving favorable outcomes in U.S. cases.

The internal lecture received unanimous praise from lawyers and clients, further enhancing participants' understanding of international patent litigation. Chang Tsi & Partners' patent legal services have been consistently recognized in the industry, including accolades from Managing IP (Patent) as "Outstanding Patent Law Firm of the Year" and "Outstanding Patent and Trademark Law Firm in China". Additionally, the firm has been recommended in IAM Patent 1000 for four consecutive years as a leading law firm in China.



With a team of excellent patent lawyers and agents possessing dual backgrounds in science/engineering and law, and proficiency in multiple international patent laws and languages, Chang Tsi & Partners provides comprehensive, multi-dimensional, and integrated legal services to maximize client interests. Beyond their expertise, the firm continues to organize high-quality learning and networking opportunities, continuously elevating team professionalism and service quality to support more enterprises in their international endeavors.



## Chang Tsi & Partners Wins 2024 China Business Law Award for Intellectual Property (Trademarks)



In the fiercely competitive legal market, Chang Tsi & Partners has earned the prestigious 2024 China Business Law Award for Intellectual Property (Trademarks) through exceptional professional services and high client recognition. This honor not only reflects the trust our clients have in our abilities but also underscores our commitment to excellence in intellectual property law.

The China Business Law's awards are determined through a rigorous selection process that emphasizes independence, objectivity, and fairness. Over the course of several months, extensive research and evaluations were conducted, collecting hundreds of submissions and thousands of testimonials from corporate executives, legal professionals, and industry experts. The evaluation criteria included law firm submissions, client feedback, and nominations from various sectors, including government agencies, the judiciary, and academia.

Our recognition in this award highlights the exceptional work and dedication of our team in protecting our clients' trademark rights. It also showcases our ability to navigate the complexities of intellectual property law and deliver successful outcomes for our clients. We are proud of this achievement and remain committed to providing top-tier legal services in intellectual property.



## Landmark Victory for Air China: Chang Tsi Receives Acclaim from Client for Successful Trademark Infringement Case

**Thank you very much to the lawyers of Chang Tsi & Partners for your meticulous preparation and strong support in our company's case. Your assistance in legally safeguarding our legitimate rights has once again been recognized, resulting in a favorable first-instance outcome!**

— AIR CHINA —

Chang Tsi Lawyers Nancy Qu and Wendy Wei represented Air China Limited in the trademark infringement dispute case against Guizhou Jiuhangxiang Wine Industry (Group) Co., Ltd., Guizhou Renhuai Banbai Wine Industry Co., Ltd., and Jinan Lechuanqian E-commerce Co., Ltd. Gaoxin Village Branch.

The Jinan Intermediate People's Court of Shandong Province **recently ruled in favor of our client, recognizing the well-known status of the 'Air China' trademark in transportation services for the first time through civil litigation, following its administrative recognition more than ten years ago.** The defendants were ordered to cease infringement and jointly compensate a total of 2.21 million yuan.

The client was very satisfied with the outcome and expressed gratitude: **'Thank you very much to the lawyers of Chang Tsi & Partners for your meticulous preparation and strong support in our company's case. Your assistance in legally safeguarding our legitimate rights has once again been recognized, resulting in a favorable first-instance outcome!'**



# Court Awards Maximum Compensation of CNY 5 million for Infringement on MICHAEL KORS' Trademark Rights and Trade Dress

**Simon Tsi and Michael Fuu**

MICHAEL KORS bags are commonly seen on bustling city streets, consistently attracting fashion enthusiasts. This luxury brand, named after its designer, is skillfully managed by Michael Kors (Switzerland) International GmbH, leading a trend of enduring luxury.

Yuantai Company, MuMuGuo Company, and Huazheda Company are three affiliated companies that have been engaged in the production and sale of bag products for many years. In 2018, Yuantai Company registered the trademarks "MAITANE KALOS" and "MKO" (MKO) on the goods in Class 18. Upon investigation, it was found that these three companies used the aforementioned trademarks and the unregistered MK mark to produce and sell infringing bags. These bags not only utilized trademarks that are highly similar to those of MICHAEL KORS or MK in both text and graphics, but also employed the MIK pattern in their decorations, and the designs are nearly identical to those of the MICHAEL KORS.

The marks, decorations, and designs used by MICHAEL KORS	The marks, decorations, and designs used by Yuantai Company, MuMuGuo Company and Huazheda Company
	
	
	

Yuantai Company, MuMuGuo Company, and Huazheda Company have extensively promoted and achieved significant sales of their infringing bags. On their official websites and various platform accounts, these three companies have advertised with claims such as "MAITANE KALOS is a fast fashion, affordable luxury brand originating from the UK, commonly known as 'little MK'." In their online stores, the companies sell the infringing bags at prices ranging from CNY 200 to 4,000. Simultaneously, they have opened specialty counters and pop-up stores in offline malls in cities such as Beijing, Yichang, and Yinchuan, using short-term, low-price promotions to attract a large number of consumers. As the infringing bags imitate the marks, decorations and designs of MICHAEL KORS brand, many consumers, upon purchasing, have expressed feeling deceived, discovering only when they returned home that they had bought counterfeit MK bags.

Upon discovering the aforementioned activities, the owner of the MICHAEL KORS brand, commissioned Chang Tsi & Partners to send a cease-and-desist letter to Yuantai Company. The letter detailed the infringement actions and their consequences, demanding an immediate cessation of all infringing activities. After unsuccessful negotiations following the cease-and-desist letter, MICHAEL KORS subsequently appointed attorneys Simon Tsi and Michael Fu from Chang Tsi & Partners to further pursue the case. They filed a civil lawsuit against Yuantai Company, MuMuGuo Company, and Huazheda Company for trademark infringement and unfair competition at the Haidian District People's Court in Beijing. The lawsuit demands that the three companies cease all infringing activities and compensate for economic losses and reasonable expenses of rights protection, totaling CNY 5 million.

After deliberation, the Haidian District People's Court in Beijing issued a first instance judgment stating:

**First**, the disputed trademark "MAITANE KALOS" and three other graphic marks are found to be similar to "MICHAEL KORS" and its graphic trademarks. The goods specified for use under the disputed trademarks are categorized under Class 18, including bags, which are identical to the goods produced by MICHAEL KORS. Considering the good reputation of MICHAEL KORS, there is a high likelihood that the public could be misled about the origin of the goods or believe that there exists a licensing use, affiliate relationship, or other specific connections between MICHAEL KORS and the defendants. Therefore, the actions of the defendants infringe upon the trademark rights of MICHAEL KORS.

**Second**, the Taobao store describes "MAITANE KALOS" as a fast-fashion, affordable luxury brand originating from the UK, commonly known as 'little mk'." The court determined that the use of "mk" in such promotional activities constitutes trademark use and infringes upon the trademark rights. Since the court has already applied the Trademark Law to regulate this matter, it is unnecessary to further apply the Anti-Unfair Competition Law to comment on it.

Third, MICHAEL KORS has extensively and continuously used the decorative elements on its bags, and the monogram pattern has established a stable association with its products, qualifying as a decoration with significant influence. The use of similar decorations on the disputed bags results in almost no visual difference, and given the general level of attention of the relevant public, it is highly likely to cause confusion. Therefore, the court has determined that the use of the decoration constitutes unfair competition.

**Fourth**, regarding the specific amount of economic compensation, considering the long-term use and promotion of the trademark and decorations by MICHAEL KORS, which have extremely high renown and influence in the category of bag products, as well as the subjective malice of the three defendants in registering similar marks despite knowing this, and their implementation of large-scale infringement through multiple online and offline stores, coupled with their refusal to provide production and sales data they possess, and the obstruction of evidence, the court deemed the CNY 5 million in damages claimed by MICHAEL KORS to be reasonable and supported this claim.

This case is a typical intellectual property litigation involving trademark infringement and unfair competition. **The court not only fully supported the plaintiff's claims but also awarded the maximum compensation of CNY 5 million to the plaintiff, which is a substantial amount.** The fair judgment in this case demonstrates the court's commitment to equally protect both domestic and foreign enterprises, which is beneficial for maintaining the order of trademark registration management and a market environment of fair competition, thereby creating a friendly business environment. Moreover, the victory in this case undoubtedly gives brand owners confidence to continuously monitor and combat infringing products, encouraging them to actively protect their rights and reinforce their investment in China.



**Simon Tsi**

Managing Partner  
Attorney at Law

Managing Partner Simon Tsi is one of China's most fearsome litigators renowned for his profound experiences with governmental institutions in China. With nearly 30 years of experiences working with national universities, judicial authorities, government ministries as well as state-owned enterprises, Simon's ability to communicate and coordinate with such institutions is unrivaled in the rest of China.



**Michael Fu**

Partner  
Attorney at Law

Michael Fu has focused his practice on intellectual property law for more than 15 years. He could provide intellectual property strategy with creative thinking for clients, and he has represented many Fortune 500 companies including Mondelez, HP, Under Armour, Michael Kors, Tiffany, Four Seasons, etc.

# Latest Updates in AI Sector: Establishment of the AIGC Labeling Method Project and Release of the Guidelines for Construction of a Comprehensive Standardization System for the National AI Industry

Yvonne Wang

Recently, authorities have sequentially unveiled significant policy and regulatory updates related to the AI sector. The first announcement pertains to the establishment of a compulsory standard concerning the labeling method for AI-generated content (AIGC), officially titled "Cybersecurity Technology - Labeling Method for Content Generated by Artificial Intelligence." The second pertains to the release of the Guidelines for Construction of a Comprehensive Standardization System for the National AI Industry (2024 Edition). It is advisable for companies engaged in the AI industry to diligently track the advancement and enforcement of these documents, and to promptly formulate and implement strategic responses to capitalize on opportunities for growth.

## Establishment of the AIGC Labeling Method Project

On June 25, 2024, the Standardization Administration of China (SAC) announced plans to develop and amend 32 mandatory national standards and to translate 10 mandatory national standards into multiple foreign languages. A key highlight of this announcement was the introduction of a new standard project titled "Cybersecurity Technology - Labeling Method for Content Generated by Artificial Intelligence" (hereinafter referred to as "AIGC Labeling Method"). This project will be led by the National Technology Committee on Cybersecurity of Standardization Administration of China (TC260).

This initiative follows the earlier release of the Cybersecurity Practices Guidelines - Labeling Method for Content Generated by Artificial Intelligence (TC260-PG-20233A) by TC260. However, since the Guideline was not mandatory, its adoption among AIGC companies has been incomplete. In contrast, the forthcoming AIGC Labeling Method will be a compulsory standard, legally enforceable across all AIGC service providers. According to Article 25 of the Standardization Law of the PRC, products and services that do not meet mandatory standards shall not be manufactured, sold, imported or provided.

Therefore, following the official introduction of the AIGC Labeling Method, AIGC companies will be required to ensure that all relevant indicators comply with the specific requirements of this standard before offering their services.

## Release of the Guidelines for Construction of a Comprehensive Standardization System for the National AI Industry

On July 2, 2024, the Ministry of Industry and Information Technology (MIIT), the Office of the Central Cyberspace Affairs Commission (CCAC), the National Development and Reform Commission (NDRC), and the Standardization Administration of China (SAC) collectively released the Guidelines for Construction of a Comprehensive Standardization System for the National AI Industry (2024 Edition) (hereinafter referred to as "the Guideline"). The Guideline highlights several critical aspects as follows:

## 1. General Requirements

The Guideline indicates that, to promote the high-quality development of the AI industry, the following goals are planned to be achieved by 2026:

- Establish more than 50 national and industry standards to accelerate the formation of a robust standardization system for the AI industry.
- Implement these standards across over 1,000 companies to significantly bolster the role of standards in fostering enterprise innovation.
- Contributing to the formulation of over 20 international standards to advance the global integration of the AI industry.

## 2. Construction Approach

The Guideline delineates a comprehensive approach to constructing the comprehensive standardization system for the AI industry, addressing both the structure and the framework. The structure is divided into seven key components: foundational commonality, foundational supports, key technologies, intelligent products and services, enabling new industrialization, industry applications, and safety/governance. The framework similarly encompasses these areas, ensuring a cohesive and comprehensive standardization strategy.

## 3. Key Directions

The Guideline proposes the following seven key directions:

- Foundational Common Standards: Including AI terminology, reference structures, and testing assessments to provide a basis for standard formulation and research.
- Foundational Support Standards: Covering data services, intelligent chips, computing devices, etc., to provide a technological base for industrial development.
- Key Technology Standards: Including machine learning, large models, natural language processing, etc., to drive technological innovation and application.
- Intelligent Products and Services: Setting technical requirements for intelligent robots, digital humans, and other intelligent products.
- Standards Enabling New Industrialization: Involving research and design, manufacturing, etc., to promote the intelligent transformation of the manufacturing industry.
- Industry Application Standards: Regulating AI applications in areas such as smart cities and smart agriculture.
- Safety/Governance Standards: Ensuring the safety and reliability of AI technologies and products.

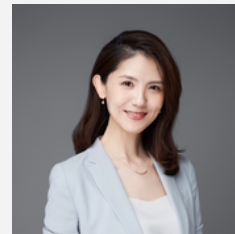
## 4. Protective Measures

To support the effective implementation of these standards, the Guideline recommends strategic measures in three key areas:

**Organizational Development:** Establish and enhance standardization technical organizations within the AI field, integrating resources from industry, academia, research, and practical applications.

**Talent Development:** Encourage standardization research institutions to develop and attract high-end talent and promote the integration of standardization competencies into the professional capability systems of businesses and educational institutions.

**Dissemination and Promotion:** Through industry associations and standardization institutions, intensify the training and dissemination of the AI standardization system and its key standards among companies to ensure comprehensive standard compliance throughout all business operations.



**Yvonne Wang**

**Counsel**

Yvonne, a Northwestern University Pritzker School of Law alumna, is a seasoned intellectual property (IP) practitioner with over 15 years of experience spanning both civil and common law jurisdictions. Licensed with the USPTO, her expertise is not only rooted in her academic background but also enriched by her comprehensive experience in the patent field.