

# Monthly Newsletter

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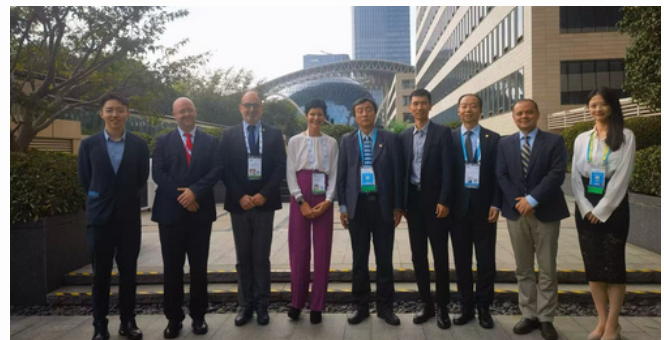
## Chang Tsi Shines at the 2024 AIPPI World Congress, Strengthening International Cooperation



From October 19 to 22, 2024, the 127th AIPPI World Congress was successfully held in the beautiful city of Hangzhou, Zhejiang Province. This marked the first time in AIPPI's 127-year history that this prestigious global intellectual property (IP) event took place in China. As one of the oldest and most influential non-governmental international organizations in the IP field, AIPPI has been dedicated to the protection and development of intellectual property worldwide since its founding in 1897. The China Chapter, established in 1982, has actively promoted the internationalization of China's IP protection efforts.



On October 21, during the conference, Chang Tsi & Partners, together with the China Trademark Association, successfully met with the AIPPI President, Vice President, and Secretary General. Additionally, productive discussions were held with officials from the European Union Intellectual Property Office (EUIPO). The meetings centered on the latest trends in global IP protection and cooperation on improving legal frameworks. These exchanges not only enhanced mutual trust and collaboration on an international level but also injected new momentum into the global development of China's IP sector.





As a leading IP law firm in China, Chang Tsi is committed to the mission of "fostering global cooperation and sharing the future of intellectual property". This Congress has further solidified its influence on the international stage. Moving forward, Chang Tsi will continue to actively participate in international IP affairs, working alongside global partners to tackle new challenges and seize opportunities in the evolving IP landscape.



## Chang Tsi & Partners Advocates for Chinese Trademark Rights at WIPO Madrid System Working Group Meeting



From October 7 to 11, 2024, the 22nd session of the Working Group on the Legal Development of the Madrid System of the World Intellectual Property Organization (WIPO) was successfully held in Geneva, Switzerland. This meeting attracted representatives from over 100 countries and organizations worldwide, who actively participated in discussions both in person and online. The participants explored various topics, including proposals put forward by delegations, issues regarding trademark dependency, and the introduction of new working languages. Additionally, a roundtable session was held during the meeting, where representatives from WIPO's International Bureau gave a detailed presentation on the latest developments in the Madrid System, the recent improvements to the eMadrid system, updates in operations, and the development of the new Madrid Information Technology Platform.



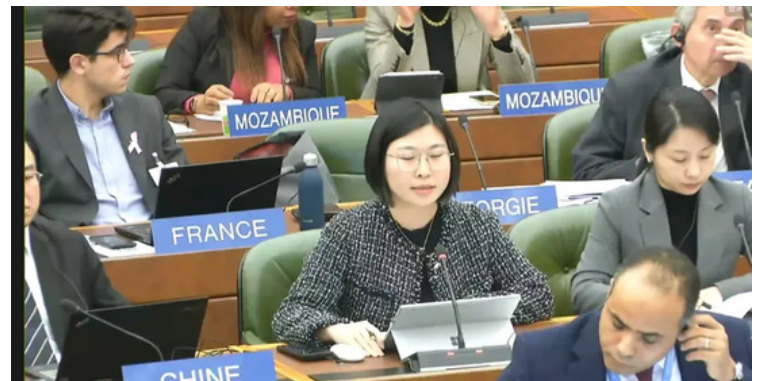
Mr. Ming Zhu, Head of Trademark Practice in China at Chang Tsi & Partners, participated in the meeting online as a representative of the Madrid Working Committee of the China Trademark Association, acting as an observer for China. Mr. Zhu worked closely with representatives from the China National Intellectual Property Administration (CNIPA) who attended the meeting in person, particularly on two key issues: trademark dependency and the introduction of Chinese as a new working language for the Madrid System.



In advocating for the inclusion of Chinese as a working language, Mr. Zhu emphasized, **"The Madrid Working Committee of the China Trademark Association has conducted extensive research and identified dependency principles and language issues as two prominent concerns, with the language issue being of particular interest to Chinese applicants. As early as 2018, the Chinese delegation submitted a proposal to the International Bureau, being one of the first members to do so at this meeting. We understand the International Bureau's cautious approach in adding new working languages, and we are also willing to explore solutions to the language issue. We are prepared to serve as a pilot member for the addition of working languages to test the positive impact of this change on the Madrid System."**



The Chinese delegation actively voiced its opinions during the meeting, aiming to address the challenges and concerns Chinese applicants face when using the Madrid System, while also offering suggestions for improvement. Chang Tsi & Partners will continue to participate in key meetings domestically and internationally, advocating for clients and protecting their legitimate rights.



## Chang Tsi helped LEGO Group win the case of trademark cross-class protection

### David Lee

The legal team led by David Lee successfully won a very important civil lawsuit for cross-category trademark protection for their client LEGO Group (a global leader in toys and gaming equipment products), effectively and cost-efficiently eliminating a targeted systematic and planned infringement and unfair competition.

In 2022, the LEGO Group discovered a company named "LEGO Sanitary" promoting its “乐高” and "LEGO" branded bathroom products online and using the "LEGO" trademark on toilets, which tarnished the "LEGO" trademark. In addition, the company registered domain names with "lego" as the main part and used “乐高” as its business name. Furthermore, the company applied for registration of more than 30 trademarks containing the words “乐高” and "LEGO", all of which were identical or similar to the LEGO Group's trademarks. The LEGO Group would have to spend a lot of time and cost to deal with these "brand-riding" trademark applications.



In 2023, acting on behalf of the LEGO Group, the Chang Tsi's legal team filed a civil lawsuit with the Chaozhou Intermediate Court, asking the court to recognize the LEGO Group's trademarks as well-known trademarks and to provide cross-category protection. Chang Tsi submitted thousands of pages of evidence for the case. After the court hearing, the defendant agreed to accept Chang Tsi's settlement conditions under the court's persuasion, and the court issued a Bill of Mediation to close the case.

**Through the Bill of Mediation, the LEGO Group achieved all its objectives:** first, it confirmed the LEGO Group's class 28 “乐高”, “樂高”, and "LEGO" trademarks as well-known trademarks; second, the defendant agreed to change its company name containing the word “乐高,” cease infringement, and deregister its domain name containing "lego"; third, the defendant agreed to pay compensation; fourth, and most importantly, it eliminated future problems. The defendant agreed not to apply for any trademarks identical or similar to those registered by the LEGO Group with the CNIPA in the future. If there was no settlement, achieving this goal of eliminating future problems would only be possible by initiating a separate complex lawsuit for unfair competition, which would require a lot of time and cost.



**David Lee**

Partner  
Attorney at Law  
Patent Attorney

As Partner of Chang Tsi & Partners, David Lee focuses on anti-infringement actions and litigation for all types of intellectual property cases, such as trademark, patent, and copyright cases. In his twenty years of practice, David has worked as an in-house counsel in a large company and as a professional attorney in Chinese law firms. He has provided professional intellectual property services to Fortune 500 companies, including Tupperware, 3M, Kohler, ITW, Levi's, etc. David Lee is fluent in English and Chinese.

## Chang Tsi Secures High Praise from Leshan Intermediate Court in ITW's DEVCON Trademark Infringement Case

Tracy Shen



### Team Member:

Tracy Shen, Hermione Zhang, Mia Zhou

### Case Background

This case is a trademark infringement civil lawsuit involving foreign entity. The plaintiffs, Illinois Tool Works Inc. (ITW) and its Chinese subsidiary, ITW Performance Polymers (Wujiang) Co., Ltd., are diversified multinational industrial equipment manufacturers. DEVCON (Chinese brand 得复康) is a key brand in ITW's Performance Polymers segment. Both ITW and its subsidiary attach great importance on intellectual property protection, actively combating counterfeit products and market infringements.

In 2020, during an onsite visit to an end user in Sichuan province, ITW located a large quantity of counterfeit DEVCON products. These counterfeits were sourced from a Sichuan company.

Tracy Shen, Partner of Chang Tsi & Partners, and her team members Hermione Zhang, Mia Zhou entrusted by ITW, filed a complaint with local AIC against the behavior of Sichuan company of selling counterfeits. Through investigation, the infringing products were identified as coming from Sichuan Qinyuan, controlled by Mr. Zhang.

Considering the amounts of counterfeits involving the subject case is high which met the threshold for criminal prosecution under Chinese Criminal Law, Chang Tsi assisted with the PSB to lead to a criminal investigation. In 2023, the People's Court of Yilong County, Sichuan Province convicted Mr. Zhang and Sichuan Qinyuan of selling goods bearing counterfeit registered trademark, sentencing Mr. Zhang to one year in prison, with a suspended sentence of one year and six months, and imposing fines and confiscating illegal gains.

To seek for civil compensation, ITW and its subsidiary filed a civil lawsuit against the Sichuan company and Sichuan Qinyuan. Chang Tsi thoroughly reviewed the criminal case files, and found that the counterfeits were sold by Shanghai Songze. We successfully petitioned to add Shanghai Songze as a co-defendant. In April 2024, the Intermediate People's Court of Leshan City ruled in favor of ITW, activities of Shanghai Songze, Mr. Zhang, Sichuan Qinyuan and Sichuan company have constituted trademark infringement against ITW and its subsidiary. And the court ruled the aforesaid Defendants to cease trademark infringement, compensate ITW and its subsidiary CNY 310,000 in total.

### Significance of the Case:

As the slogan saying on the Banner ITW presented to the Intermediate People's Court of Leshan City “裁决英明维权有力，法治昭昭侵权难逃 (Wise Judgment, Strong Protection of Rights; Justice Prevails, Infringement Escapes No One)”, the success of this case owe to ITW actively defense of their intellectual property as well as the court's fairness and diligence to clear that the infringement.

The Leshan Court is committed to creating a good environment that fosters business by fully protecting intellectual property. In this case, the court's panel thoroughly considered the facts, not only holding the defendants already punished for criminal offenses, Mr. Zhang and his controlled company Sichuan Qinyuan, liable for civil compensation, but also extending civil liability to Shanghai Songze, the source of the counterfeit products identified in the criminal trial. This case comprehensively protected the legitimate rights and interests of ITW and its subsidiary, and achieved effective compensation for their losses.

**The Leshan Court highly praised the subject case, stating, "The successful of this case has powerfully punished all parties in the chain of infringement and sets a model for assessing civil, administrative, and criminal liability independently in intellectual property cases. It has strengthened public confidence in IP protection and serves as an important reference for similar cases."** The case was highlighted in Leshan legal reports, lauding it as "a reflection of enhancing the rule-of-law business environment and ensuring fair justice, embodying the strength and authority of the law." It was widely publicized through various official media platforms, including the official WeChat account of the Leshan Intermediate Court, the official WeChat account of Leshan Zheng Fa, and Sichuan Legal Daily.



**Tracy Shen**

**Partner  
Attorney at Law**

Tracy Shen has practiced in the field of intellectual property law for over 10 years, with a focus on trademark law. She has in-depth experience in trademark litigation, trademark portfolio management and strategic counselling. Her experience covers all stages of the trademark lifecycle and consists primarily of procurement, opposition and cancellation proceedings, portfolio management, strategic counselling, civil litigation and enforcement.