



# PROTECTING YOUR TRADEMARKS IN CHINA

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VIEWS EXPRESSED ARE MY OWN  
AND NOT NECESSARILY  
THOSE OF MATTEL





**HOT WHEELS**

**RESCUE HEROES**

**PopParoos**

**Enchantimals**  
CARING IS OUR EVERYTHING

**Rolly Pocket**

**MONSTER HIGH**

**MATCHBOX**

**Bob the Builder**

**UNO**

**MATTEL**

**Fisher-Price**

**MEGA BLOKS**

**Barbie**

**MEGA CONSTRUX**

**American Girl**

**Angelina Ballerina**

**THOMAS & FRIENDS**

**Little People**



Barbie

芭比

Barbie

芭比

Fisher-Price®

费雪



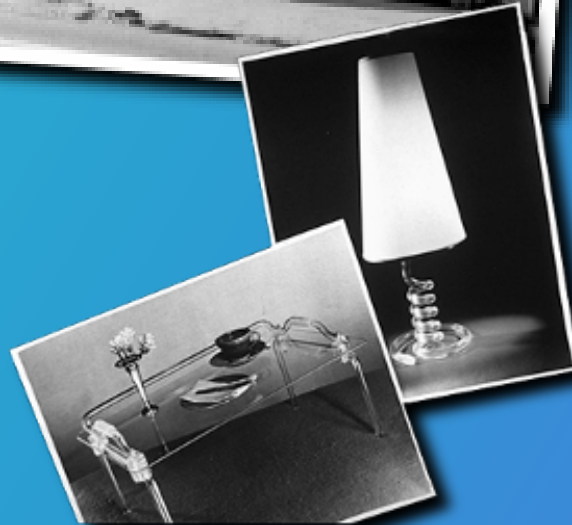
托马斯 & 朋友™



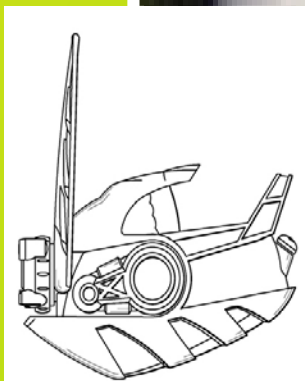
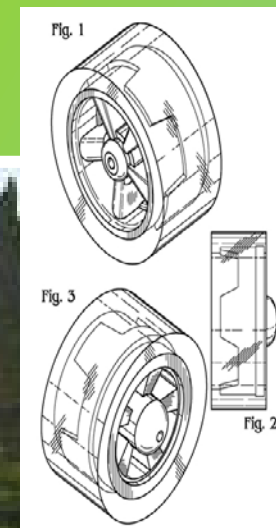
# MATTEL HISTORY

from a local garage workshop...

to the  
Most Successful, Most Innovative  
Toy Manufacturer in the World









- **#1** Toy Company Globally
- Sold in 150+ Countries
- Offices in 40 Countries
- Asian Operations
  - Shanghai
  - Hong Kong
  - Thailand
  - Malaysia
  - Indonesia
- Significant Presence in China







## At Mattel, we vigorously protect our brands.

We believe it is our responsibility to safeguard our Intellectual Property in order to protect consumers and children against unsafe, untested counterfeit products.

Through our efforts, Mattel is able to fuel the innovation and creativity of employees and protect their ideas so that they continually produce the best products in the industry. In turn, this safeguards jobs, create value

for shareholders and helps keep the toy industry healthy and thriving.

**Mattel's priority is to provide the safest toys for children and maintain the trust of their parents.**



Was No. 1 Corporate TM Filer at the USPTO  
for many years

**Still Top 10....!**

TM registrations owned:

- 15,000+ WW
- 3,000+ in the US
- 1,800+ in China

TM Oppositions in China

- 500+ pending for all brands
- 600+ filed for Barbie alone in last 3 years

US Oppositions

- 20 for all brands in past 3 years





**PROTECTING YOUR BRAND IN CHINA**

# PROTECTING YOUR BRAND IN CHINA

- STEP ONE -- REGISTER YOUR TRADEMARKS!
- China is a “First to File” Jurisdiction
- Failure to file allows 3<sup>rd</sup> parties to file first
  - Recovering rights may not easy or cheap
  - May prevent your use of trademark in China
  - Online brand enforcement much more difficult
- Official Filing fee is 300RMB (under \$45)
- Non-Chinese Entities Must Use an Agent (\$\$)



# PROTECTING YOUR BRAND IN CHINA

## TIMELINES IMPROVING

Cases	Timeframe
Official Filing Receipt for New Application	15 days - one month
Notice of Amendment	2 months
Notice of Refusal or Internal Approval	5 - 7 months
Publication/Gazettal of Application	6.5 months
Non-Use Cancellation	8 - 9 months
Opposition	13 months
Change of Name/Address	2 - 3 months
Change of Agent	2 months
Renewal	1 month
Assignment	5 - 6 months
Certified Copy of Registration Certificate	2 months
Application Appeal	6 - 8 months
Invalidation	11 months
Non-use Cancellation Appeal	9 - 11 months
Evidence Exchange Notice for Invalidation	7 months
Notice to Defend against Opposition	5 - 6 months from filing of the opposition
Re-issuance of Registration Certificate	1 month
Withdrawal	2 months

**BAD FAITH TRADEMARK FILING**



# MINECRAFT

The background of the slide is a vibrant Minecraft game scene. It features a bright blue sky with several white, blocky clouds. In the foreground, there's a lush green landscape with rolling hills and a small body of water. Two Minecraft characters, one with brown hair and one with orange hair, are standing on a grassy patch. A small white dog is also visible. In the distance, there are blue, pixelated mountains. On the left side, a vertical black line with four green grass blocks and brown dirt blocks is visible. The title 'MINECRAFT' is at the top in a large, 3D, blocky font.

2011 Mojang Files TM Applications in EU and US (January)  
iOS Launch  
Pirate Files TM Application in China (December)

2013 Mojang files TM application in China

2014 Mattel Licenses Toy Rights WW

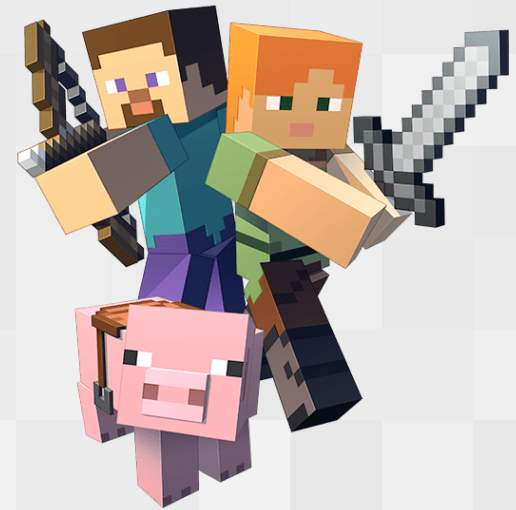
# MINECRAFT

- Pirate Records TM Registration at Chinese Customs
- Pirate Becomes a “Trademark Troll”
- Minecraft Shipments Stopped at Border
- Mojang Seeks to Invalidate Pirate/Troll’s TM Registrations in China
- Mattel Manufactures Products Outside of China



# MINECRAFT

- Pirate's name is DOCKIE VIDICSCHE
- Offshore Company (British West Indies)
- Pirate Filed over 100 TM Applications
- Targeted Small Fashion Designers ... and Others





# BAD FAITH TRADEMARK FILING

- Issue Well Known
- Recent Initiatives Have Not Been Enough
- Rejection of over 100,000 “Warehoused” Trademarks in 2018
- More Positive Decisions and Favorable Interpretations of Current Law
- Victims Can Petition to Blacklist Pirates

**NEW TM LAW AMENDMENTS**

# NEW TM LAW AMENDMENTS

- Enacted April 23, 2019; effective November 1, 2019
- SUDDEN AND SUPRISING
  - “One of the most significant legal breakthroughs in Chinese IP law in recent years”
- Did not proceed through the normal process
- FOCUS: Bad Faith TM Filers and Bad Actors
- Legislation is Encouraging
- Implementing regulations have yet to be seen

# NEW TM LAW AMENDMENTS

## ARTICLE 4

New Language (translation):

Applications for trademark registrations in bad faith which are not intended for use shall be refused.

- Trademark Office can reject Bad Faith Applications at Examination Stage
- Bad Faith TM Filings may be Opposed or Invalidated by Rights Owner ... or Anyone per Articles 33 & 44
- QUESTIONS



# NEW TM LAW AMENDMENTS

## ARTICLE 19

New Language (translation):

A trademark agency is forbidden from representing a client where it knows or should know the trademark to be filed for registration by such client falls under the circumstances prescribed in Article 4, Article 15 and Article 32 of this Law.”

- Prohibits TM agents from filing TM applications where they know or should know that applicants are filing in bad faith
- QUESTION: How will this be enforced?

# NEW TM LAW AMENDMENTS

## ARTICLE 68

New Language (translation):

Where applications are filed for registration in bad faith administrative penalties shall be made, such as a warning or a fine, etc., according to the circumstances; if a trademark lawsuit is filed maliciously, the People's Court may impose a penalty according to law.

- Penalties and fines may be imposed for bad faith filers and TM agents that assist them
- Malicious prosecution of trademark lawsuits may be penalized

# NEW TM LAW AMENDMENTS

## ARTICLE 63

### PUNITIVE DAMAGES

- May be awarded in cases deemed “malicious” and the circumstances “serious”
- Maximum to increase from 3x to 5x the base award amount

### STATUTORY DAMAGES

- Increased from RMB 3 million (\$434K US) to RMB 5 million (\$724K US).

# QUESTIONS



# QUESTIONS

- What will be the practical effect of the new TM legislation?
- What will the implementing provisions look like?
- How will certain issues be addressed, such as:
  - Bad Faith
  - Intention to Use
- Will increased civil damages actually be awarded?
- Criminal Law Amendments Coming?

# STRATEGIES & NEXT STEPS

# STRATEGIES & NEXT STEPS

- BEST PRACTICE: Register your brand. File TM applications ASAP!
- Search Proactively
- Look for serial piracy/warehousing
- Send C&D letters to Bad Faith Applicants and their Agents
- File actions jointly with other victims
- Civil Actions
- Connect with your Trade Association

**THANK YOU**





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