



Overview of Trademark Enforcement in China

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Overview of Trademark Enforcement in China

- **Trademark Laws and Regulations in China**
- **Administrative Trademark Enforcement — Regulatory Authority**
- **Administrative Trademark Enforcement — Statistics Analysis**
- **Civil Proceedings – Trademark infringement and Unfair Competition**

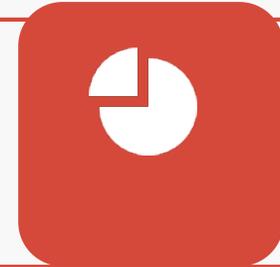
CIVIL LAW – GENERAL RULES



**TRADEMARK
LAW**



**UNFAIR COMPETITION
LAW**



TORT LAW

■ **TRADEMARK - CIVIL LAWS & CRIMINAL LAWS**

□ Applicable Laws

- Trademark Law (*promulgated in 1983; revised in 1994, 2001, and 2013; Current 2013 Version Taking Effects on May 1, 2014*)
- Implementing Regulations of Trademark Law (*effective as from May 1, 2014*)

□ Judicial Interpretation - Civil

- (1) *Supreme Court: Jurisdiction and Application of laws 2002; 2014*
- (2) *Supreme Court: Issues related to application of laws 2002; Injunction, Evidence Preservation 2002*
- (3) *Supreme Court: Property Preservation 2001; Conflict between trademark/company name and prior rights 2008*

(1) Judicial Interpretation - Criminal

Supreme Court and Supreme Procuratorate – two interpretations

■ **ANTI-UNFAIR COMPETITION LAW**

□ **Applicable Laws**

(1) Anti-Unfair Competition Law (*promulgated in 1993, amended on January 1, 2018*)

□ **Judicial Interpretation**

(1) Supreme Court's Interpretation on Law Application of Unfair Competition Disputes (*effective as from February 1, 2007*)

1 Laws and Regulations in China

■ **ANTI-UNFAIR COMPETITION LAW**

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TRADEMARK INFRINGEMENT

State Administration for Industry and Commerce (SAIC)

<http://sbj.saic.gov.cn> <http://www.saic.gov.cn>



COPYRIGHT INFRINGEMENT

National Copyright Administration (NCAC)

<http://www.ncac.gov.cn>



PATENT INFRINGEMENT

State Intellectual Property Office (SIPO)

<http://www.sipo.gov.cn>



Unfair Competition

State Administration for Market Regulation (SMAR -- previously SAIC)

<http://sbj.saic.gov.cn> <http://www.saic.gov.cn>

IP CUSTOM PROTECTION

General Administration for Customs (GAC)

According to *White Paper on China's Intellectual Property Rights Protection in 2016*

■ TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION CASES

[SAIC] Nationwide authorities for industrial and commercial administration and market regulation registered and investigated **49,000** infringement and counterfeiting cases and concluded 45,000 cases, involving a value of RMB 560 million.

To be specific, more than 28,000 trademark infringement and counterfeiting cases were cracked, involving a value of RMB 350 million; and 203 suspected cases were transferred to courts. In 2016, nationwide industrial and commercial administrations and market regulatory departments at all levels investigated 5,710 unfair competition cases with IPR infringement such as counterfeiting and commercial secret infringement, involving a value of RMB 110 million, with a fine of RMB 58,27 million.

IP Enforcement by General Administration for Customs (GAC)

In total, nationwide customs captured over 17,000 batches of infringing products, involving over 42 million pieces of goods with a value of approximately RMB 230 million. To be specific, over 670 batches of infringing products were seized at the point of import, involving 440,000 pieces of goods with a value of approximately RMB 50 million; and over 16,000 batches were seized at the point of export, involving over 41 million pieces of goods with a value of around RMB 180 million. Among the infringing products captured, 41 million were related to trademark infringement, 538,000 were related to patent infringement, and 57,000 were related to copyright infringement.

□ TRADEMARK — AIC ACTION

The owner of the registered mark has right to initiate AIC raid action requesting the administration remedy:

If it is determined by the local Administration for Industry and Commerce (“AIC”) that the infringement has been established, the alleged infringer will be subject to the following administrative sanctions:

- 1) an injunction by the AIC to immediately cease the infringement;
- 2) an order by the AIC that the infringing articles or materials be destroyed or forfeited; all the infringing content removed or taken off from the business place;
- 3) a fine up to 500% of the illegal business revenue, if the illegal business revenue exceeds RMB 50,000; a fine of up to RMB 250,000, if the illegal business is less than RMB 50,000;
- 4) if it has committed trademark infringement on two or more occasions within five years or falls under other serious circumstances, a heavier sanction will be imposed by the AIC.

□ TRADEMARK — AIC ACTION

- ✓ Relatively inexpensive
- ✓ Effective; Useful in preventing infringing activities expeditiously where the facts of the case are simple and straightforward
- ✓ Particularly valuable for situations that call for injunctive relief and punitive actions only
- ✓ However, for cases requiring judgment on similarity of trademark and relatedness of goods, the AIC decision can not be made efficiently, in order not to be sued for administrative wrong, many local AICs will not intervene in a case having a “rights conflict” appearance, fearing being sued by the alleged infringer.

□ TRADEMARK — AIC ACTION

How to initiate AIC ACTION?

1) Investigation: collecting basic information and facts:

- Identity, location and contact number of suspected infringer
- Photographs and samples of infringing products

2) Preparing and filing complaint documents

- Trademark registration certificate
- Statement on basic information on suspected infringer and infringing goods
- Company registration certificate of complainant

3) AIC Raid Action

- Accompanying AIC official to the site when conducting raid action
- For critical cases, arranging notary public to witness the action and preserve evidence
- Convincing AIC officials to extend onsite inspection, including checking account books and computer files, factories, warehouses, etc.
- Photographing documents signed by the suspected infringers onsite (copies cannot be obtained later easily)
- Closely following up with the AIC on the progress of the case after the raid has been conducted and try to obtain a decision

❑ IP Enforcement by General Administration for Customs (GAC)

- Regulation on the Customs Protection of IPR Rights (amended on March 19, 2018)
- Measures of the General Administration of Customs for Implementation of Regulation on the Customs Protection of IPR Rights (amended on July 1, 2018)

● Customs Recordation

Recordation is a precondition for Chinese customs to *ex officio* take action in protecting a IPR rights. The IPR right holder can record their IPRs with the GAC. When all required documents and materials are submitted, GAC will issue a Certificate of Intellectual Property Custom Protection Registration to the applicant within 30 days. Local customs across will conduct daily inspection activities to monitor cross-border goods and seize counterfeits and infringing products.

● Validity Term

A recordation for customs protection of an intellectual property right shall be valid from the date on which the General Administration of Customs grants the recordation and shall be valid for a term of **10 years**.

The holder of the intellectual property right may apply to the General Administration of Customs for renewal of the recordation for customs protection of the intellectual property right within six months prior to the expiration of its term of validity, where the intellectual property right is valid. Each renewal of a recordation shall be valid for a term of 10 years.

● Seizure Notice, Verification & Penalty (ex officio; by application)

Enforcement of Trademark – Civil (Trademark Infringement)



Jurisdiction: People's Republic of China

Not including: Hong Kong, Macau and Taiwan

Article 57. Any of the following constitutes an infringement of the exclusive right to use a registered trademark:

- 1) Using a trademark that is identical with a registered trademark in connection with the same goods without the authorization of the owner of the registered trademark;
- 2) Using a trademark that is similar to a registered trademark in connection with the same goods, or that is identical with or similar to a registered trademark in connection with the same or similar goods, without the authorization of the owner of the registered trademark, which may cause public confusion;
- 3) Selling goods that violate the exclusive right to use a registered trademark;
- 4) Counterfeiting, or making, without authorization, representations of another party's registered trademark, or selling such representations;
- 5) Altering another party's registered trademark without authorization and selling goods bearing such an altered trademark;
- 6) Help any others to infringe the exclusive right to use its registered trademark with intention to provide convenience for infringing the exclusive right to use its registered trademark;
- 7) Otherwise causing prejudice to another party's exclusive right to use its registered trademark.

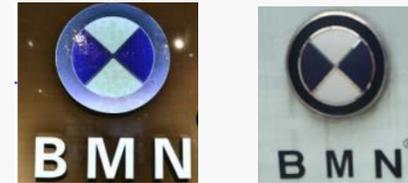
Protection of Well-known Trademark Rights - Key words: 1) Fame; 2) Bad-faith; 3) Natural Person

□ BMW Case

2009 Hunan Higher Court - Supreme Court – Top 10 Cases

2013 Beijing Higher Court - Supreme Court – 8 Typical Cases

2016 Shanghai IP Court – Shanghai Higher Court – Top 10 Cases



□ LAND ROVER Case

2017 Supreme Court – Top 10 Cases “Well-known Mark”



1) Protection of Name, Packaging and Decoration - Article 6-1 of Unfair Competition Law

Article 6 A business operator shall not perform any of the following confusing acts that will enable people to mistake its products for another business's products or believe certain relations exist between its products and any business's products:

1. unauthorized use of a mark that is identical or similar to the **name, packaging or decoration of another business's commodity, which has influence to a certain extent.**
2. unauthorized use of another **business's corporate name (including its shortened name, trade name, etc.), the name of a social group (including its shortened name, etc.), or the name of an individual (including his or her pen name, stage name, translated name, etc.),** which has influence to a certain extent;

1. Landmark Cases

Supreme Court 2008.3



Supreme Court 2016.12

Michael Jordan (乔丹) vs.





THANKS

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