



How to Protect Your Marks in China and Pitfalls to Avoid

-- Understanding the Trademark Registration Process

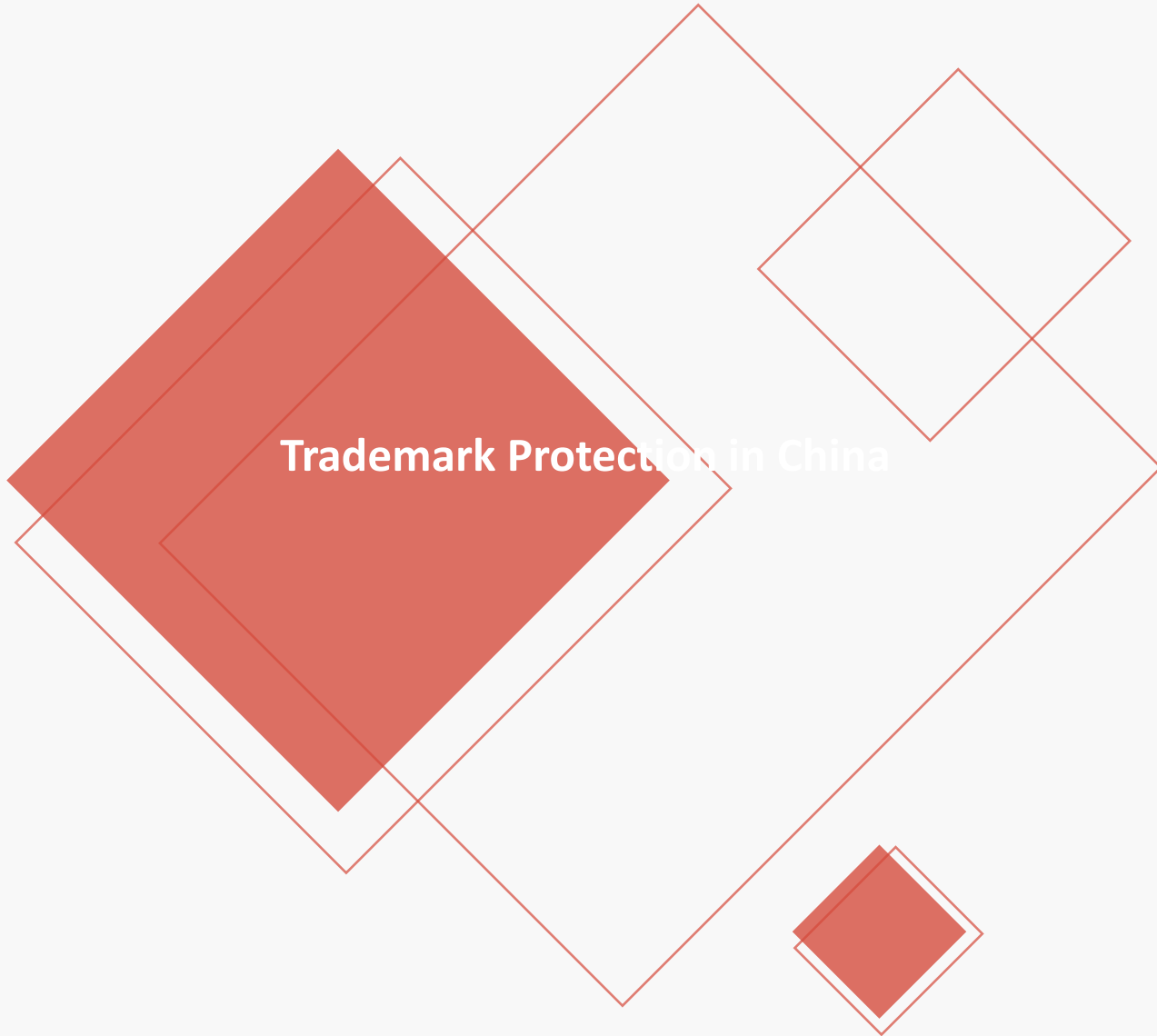
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- **Trademark Laws and Regulations in China**
- **Regulatory Authority**
- **Applying for Trademark Registration**
- **Effective Registration Strategy**
- **Protection of Unregistered Trademarks**

Trademark Laws and Regulations in China

□ Applicable Laws

- (1) Trademark Law (promulgated in 1983, amended in 1994, 2011 and 2013, current version taking effects on May 1, 2014)**
- (2) Anti-Unfair Competition Law (promulgated in 1993, amended on January 1, 2018)**

□ Administrative Regulations

- (1) Implementing Regulations of Trademark Law (effective as from May 1, 2014)**
- (2) Trademark Examination and Review Criteria applied by CTMO and TRAB (effective as from December, 2016)**

□ Judicial Interpretation

- (1) Supreme Court's Rules on Judicial Review of Grant and Validation of Trademark (effective as from March 1, 2017)**
- (2) Supreme Court's Opinions on Judicial Review of Grant and Validation of Trademark (effective as from April 20, 2010)**
- (3) Supreme Court's Interpretation on Law Application of Trademark Disputes (effective as from October 16, 2002)**

Regulatory Authority



Administrative Authority:

State Administration for Market Regulation SAMR
State Intellectual Property Office (SIPO)
CTMO, TRAB
Local AICs (AMRs) across the country
(State, Provincial, Municipal, Country/District, Branch)

Applying for Trademark Registration

01

Application Process

- 1) Formal Examination Period
- 2) Substantive Examination Period
- 3) Publication Period

02

Office Action

(broad items acceptable to the CTMO)

03

Refusal & Appeal

- 1) CTMO Refusal
- 2) Appeal TRAB

Applying for Trademark Registration

1. Application Process

After the trademark application is filed with the CTMO (Chinese Trademark Office), the examination procedure is to be completed within **9 months** from the filing date (statutory time limit).

1) **Formal Examination Period**: around **3~4** months: upon receiving a trademark application, the CTMO will first conduct formality check on applicant name, address, nationality, POA and other basic information, and then examine whether the description of goods or services meets the requirements under the Nice Classification and Chinese Classification Guide of Goods and Services. Where the application documents meet the formality requirement and the claimed goods or services are all acceptable, within 3-4 months as from the filing date, the CTMO will issue an Official Filing Receipt on which the application number will be allocated. If the filing documents fail to satisfy the formality criterion or the description of goods or services is not standard or should be objected, the CTMO will issue an office action requiring the application to amend the application to bring it into conformity with the CTMO's requirements.

2) **Substantive Examination Period**: around **4~5** months: after the CTMO issues the Official Filing Receipt, the application will enter the CTMO's substantive examination stage. The registrar shall examine whether an application for registration of a trade mark satisfies the requirements imposed by the PRC Trademark Laws and Regulations. If the trademark does not meet the eligibility requirements for registration, the CTMO will issue a notice to partially or entirely reject the application, the applicant has the right to appeal to the TRAB (Trademark Review and Adjudication Board) against the CTMO's refusal. If the applicant fulfills the conditions for trademark registration, the CTMO will preliminarily approve the application.

3) **Publication Period**: If the application passes through the CTMO's preliminary examination stage, it will be published for 3 months in the official Trademark Gazette for opposition purposes. If no opposition is raised by owner(s) of earlier trademark(s) or interested parties within the three-month opposition period, the trademark application will automatically mature into a full registration. The CTMO will issue the Trademark Registration Certificate within the next one to two months.

3 Applying for Trademark Registration

2. Office Action

Chinese Classification Guide for Goods and Services lists all acceptable identification of goods and services complied by the CTMO under the Nice Classification, which serves as the controlling standard used in China.

If the goods or services claimed in an application are indefinite, inaccurate or inconsistent with those listed in the Classification Guide, the examiner will raise objection and demand amendment or deletion of the same.

- ❑ Chinese Classification Guide for Goods and Services (2018 version)**
- ❑ Nice Classification (2018 version)**
- ❑ TM5 ID List (Description pre-approved by TM 5 Partners: USPTO, EUIPO, JPO, KIPO and SAIC (China))**

3. Refusal & Appeal

1) CTMO Refusal

a) Absolute Grounds for Refusal

i) “Non-Distinctiveness” Refusal

---- “generic”, descriptiveness, public-order refusals

Article 11 of the PRC Trademark Law provides that: the following trademarks shall be rejected for registration:

- i) trademarks which consist exclusively of signs or indications which have become customary or generic for the goods or services;*
- ii) trademarks which consist exclusively of signs or indications which may serve, in trade, to directly designate the quality, primary raw materials, functions, intended purposes, weight, quantity, or other characteristics of goods or services;*
- iii) trademarks which are devoid of inherent distinctiveness.*

ii) “Public order and Morality” Concern

Under Article 10. 1. (8) of the Chinese Trademark Law, any trademark consisting of or comprising immoral, or scandalous matter; or matter which is contrary to accepted principles of morality or may materially and adversely affect the public interests and public order shall not be registered and its use is liable to be prevented.

b) *Relative Grounds for Refusal*

“Likelihood-of-Confusion” Refusal

CTMO finding the Applied-for **Mark likely to cause confusion** **with** the earlier marks (earlier registered marks and earlier filed marks)

□ “first to file” doctrine

- **Similarity of Marks**
- **Similarity/Relatedness of Goods/Services**
- ✓ **Trademark Availability Search**

CTMO Online Trademark Database

(<http://sbj.saic.gov.cn/sbcx/>)

3. Refusal & Appeal

2) Appeal before TRAB

a) Deadline for Appeal

*The Applicant has right to appeal the CTMO refusal before the TRAB within **15 days** upon receipt of the CTMO refusal notice; if filing online trademark applications, you will be granted **30 days** to decide whether to appeal*

b) TRAB Review Proceedings of Refusal

- (i) The TRAB will first issue the Official Filing Receipt if appeal documents meet the formality requirement;*
- (ii) The TRAB will then commence substantive review of the trademark refusal. It would normally take about **9 months** for the TRAB to make the decision on a trademark appeal case;*
- (iii) If the TRAB makes an unfavorable decision against us, within **30 days** upon receipt of such unfavorable decision, we can petition the Beijing IP Court for judicial review against the TRAB with the right of appeal to the Beijing Higher Court.*

4 Effective Registration Strategy



Trademark Application



Refusal

1

Absolute Ground

1) *Public & Moral (Article 10 of PRC Trademark Law)*

2) *Indistinctiveness (Article 11 of PRC Trademark Law) : Use Evidence*

4 Effective Registration Strategy

2 Relative Ground: Cited marks

Battle begins: **Blocking Cited Marks**

Status	1. Pending in Application	<i>Opposition / Letter of Consent / Anonymous Purchase</i>
	2. Newly registered, not yet three years	<i>Invalidation / Letter of Consent / Anonymous Purchase</i>
	3. Registered for three years	<i>Non-Use Cancellation / Invalidation / Letter of Consent / Anonymous Purchase</i>
	4. Registered for five years	<i>Non-Use Cancellation / Letter of Consent / Anonymous Purchase</i>

Nature	Good Faith	<i>Non-Use Cancellation / Letter of Consent / Anonymous Purchase</i>
	Bad Faith	<i>Opposition / Invalidation / Non-Use Cancellation</i>

Nationality	Chinese Local Entity	<i>Anonymous Purchase; letter of consent (sometimes difficult)</i>
	Oversea Entity	<i>Letter of Consent</i>

Opposition, Invalidation, Cancellation

2. Grounds for Opposition & Invalidity

- 1) **“Likelihood-of-Confusion”** (*Article 30 & 31 of Trademark Law*)
- 2) **Protection of Unregistered Trademark having Prior-Use Based Reputation against Pre-emptive Application in Bad Faith** (*Article 32.2 of Trademark Law*)
- 3) **Prevention of Pre-emptive Trademark Application by Persons having Certain Relations** (*Article 15 of Trademark Law*)
- 4) **Protection of Prior Rights (copyright, tradename, personal name, merchandising right, right of publicity, etc.)** (*Article 32.1 of Trademark Law*)
- 5) **Protection of Well-Known Trademark** (*Article 13 of Trademark Law*)
- 6) **“Bad-Faith” (Serial pirate)** (*Article 44.1 of Trademark Law*)

5

Protection of Unregistered Trademarks

1. “Country Name/Famous Geographical Name” Formative Trademarks:

- * Formative marks containing distinctive and registrable element and geographically descriptive country name

2. Weak/Descriptive Marks:

- * Marks in the process of having acquired distinctiveness based on use in PRC – marks with “secondary meaning”.

3. Marks refused for registration due to periodically stricter examination criteria and stricter examiners

- * CTMO/TRAB: similarity criteria not consistent all the time; some examiners are stricter than others

4. Marks enjoying Spill-over reputation but not yet officially used in China.

- * Foreign famous marks, not yet formally entering into PRC marketplace

5. Marks actually used in commerce but different from registered trademark

- * Newly adopted marks different from the registered form. (new word, device, color elements added)

6. Marks unlikely to be registered due to prior marks covering broad items in Classification Guide

- * Entertainment services; computer program services; clothing services, etc.

7. “Titles” marks enjoying popularity in China in the field of games, movies, TV series and shows, books, etc. (Classes 9, 16, 28, 41)

8. Non-conventional trademarks: shape(3D marks) marks; sound marks; color combination marks

single-color marks, position marks; fluid marks; smell marks

Protection of Unregistered Trademarks

- 1. Trademark Prior-Use Right Defense**
 - * Article 59.3 of PRC Trademark Law
- 2. Marks having certain influence due to prior actual use in China**
 - * Article 32.2 of PRC Trademark Law
- 3. Unregistered well-known mark against infringement in the same field**
 - * Article 13.2 of Chinese Trademark Law
- 4. Marks known to later entities having agent, distributorship, contract, business or other relationship**
 - * Article 15 of Chinese Trademark Law
- 5. Marks as the name, packaging or decoration of goods/services (trade dress)**
 - * Article 6-2 of PRC Anti-unfair Competition Law

Protection of Unregistered Trademarks

1. Trademark Prior-Use Right Defense - Article 59.3 of PRC Trademark Law

* From Fair-use defense to prior-use defense (descriptive, nominative use)

- a) Prior use before the application date and initial use date
- b) Trademark used in good faith
- c) Certain influence due to prior-use
- d) Alleged infringing use occurred in the original scope

Issue/Question:

Plaintiff (trademark registrant) is entitled to request Defendant (prior trademark user) to add other identifying element to the trademark. How? Registration Right: Strong; but fail Prior-Use Right: Weak; but win



THANKS

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