Lawsuit Updates

Digital library's use of another party's work of compilation established infringing copyright

Civil Rulings Nos. Haiminchuzi 3352/2007 and 3353/2007

The plaintiffs, the Ethnology and Sociology Institution of the China Academy of Social Sciences and the China Archeological Society jointly enjoyed the copyright in the work of compilation entitled Chinese Ethnic Community Research Yearbook. The defendant, the Beijing Jinbaoxingtu Corporation (Jinbao) collected, in its digital library, almost all the yearbook resource data, including said Yearbook, all the text data of the newspaper, and the economic information data of the industry. In December 2004, the digital library's distributor, the Shanzhi Corporation licensed the Tianjin Digital Library Construction Administration Center of Higher Education its database, with the licensing fee or royalties amounting to RMB 700,000 yuan, and the 19 related establishments of higher learning in the city of Tianjin may use the database by mirror image. The court held that Jinbao incorporated, without the authorisation of the copyright owners, the electronic version of the work in suit into the digital library it had developed, and allowed the public within its designated LAN to access to said work at the time and place chosen by them to seek profit, which had constituted an infringement of the right of reproduction, right of compilation and the right of communication through information network of the owners of the copyright in said work of compilation, that the Shanzhi Corporation intentionally sold the infringing work and should be held jointly and severally liable. The court ordered the two corporations to cease the infringement and pay the copyright owners RMB 65,724 yuan and 123,564 yuan respectively in compensation for their economic injury.

(The work in suit)

Trademark reconsideration not bound to unspecified time limit

Civil Ruling No. Gaoxingzhongzi 3/2007

In 2002, the Japanese AKK Chemical Industrial Corporation filed a request, with the State Administration for Industry and Commerce (SAIC), for cancellation of the trademark "**爱多收** ATONIK" (the trademark in suit) since it believed that the use of the registered mark in suit owned by the Dubisi Co., Ltd. of the English Vikings had ceased for three consecutive years. In April 2004, the Trademark Office made the decision on the validity of said mark. In December of the same year, the AKK Chemical Industrial Corporation filed a request with, and the request was accepted by, the Trademark Review and Adjudication Board (TRAB) for review. The TRAB revoked the decision made by the Trademark Office, and cancelled the registered trademark in suit. Dissatisfied with the review decision, the Dubisi sued in the Beijing Higher People's Court, arguing that the request for review was filed after the time limit expired, and the TRAB's acceptance of the request was legally groundless. Article 49 of the Trademark Law provides that any interested party dissatisfied with a decision made by the Trademark Office to cancel a registered trademark may, within fifteen days from receipt of the corresponding notification, apply to the TRAB for review and

(The trademark owned by AKK)

使用 12 幅網上圖片作品 被判賠償 4 萬餘元

(2007)**二中民初字第** 3960 **號**

北京融信合經濟信息咨詢有限公司享有涉案以星座水晶爲內容的商業圖文專題作品（包括 12 幅水晶圖片形式的平面設計）的著作權，該作品在網上發佈並於其上以權利管理電子信息的方式做出了明確的著作權聲明。北京科文書業公司和北京當當科文公司被訴未經許可惡意刪除 12 幅作品上的權利管理電子信息，修改作品並將其使用於當當網上進行商業宣傳。庭審中融信合公司證明其對 12 幅圖片進行了設計製作；在該作品發佈的網站上每幅圖片上均有"starhve.com"的數字水印。而當當網中使用了 6 幅完全相同的圖片以及 6 幅加以裁剪的圖片，但沒有數字水印和署名。法院認爲，被告此項行爲侵犯了原告的複製權、署名權、修改權和信息網絡傳播權，應立即停止侵權行爲，刊登賠禮道歉聲明，並賠償原告損失 41,000 元。 ■

adjudication, without specifying the circumstance where a registered mark in suit was to be kept valid. The court of final instance determined that, when dissatisfied with the Trademark Office's decision on the validity of a trademark, the party concerned may apply for review under Article 49 of the Trademark Law. It also held that the AKK did not file a request for review between April and December 2004 because application of law was unspecified, and not because the time limit for applying for the review expired for reasons of its own. Accordingly, the court, on the basis of the evidence, upheld the initial judgment and cancelled the registration of the trademark in suit, the use of which had ceased for three consecutive years.

Digitally revised DVD not constituting infringement

Civil Ruling No. Gaominzhongzi 524/2006

The Guangdong Zhongkai Zhonghua Development Co., Ltd. (Zhongkai) obtained, under an agreement, the exclusive right to reproduce, distribute, manufacture and market, in mainland China, the VCD and DVD of 700 films, including the Story of Policemen. The copyright of said 700 films was owned by the Xingkong Media (H. K.) Ltd. and the Xingkong Media Co., Ltd. (Xingkong). It was stated in the agreement that the Xingkong Media Co., Ltd. would reserve the right to exercise the related right through media currently in existence or to be invented or to occur in the future except the right to use the media of VCD and DVD. Later, Zhongkai sold the digitally revised copy of the DVD of the Story of Policemen. Xingkong believed Zhongkai's sale of the digitally revised copy of the related film was not authorised by it, i.e. the digitally revised version of DVD was not in the form of the VCD and DVD under the agreement. The court of first instance supported Xingkong's litigant claim. The court of second instance held that the digital revising technology involved was one to digitally process mother tapes or mother discs carrying works of motion picture to produce copies of films; the digitally revised DVD version involved was entirely different from the "media currently in existence or to be invented or to occur in the future" both in function and character as defined in the licensing contract. The court decided that the first judgment was reversed and that the Zhongkai reserved the right to use the digitally revised version of the authorised mother tape and disc.

Designating another party's software as being made "in bad faith" established as infringement

Civil Ruling No. Gaominzhongzi 469/2007

The software "Qihu Safeguard" developed by the Beijing Sanji Network Corporation (Sanji) designated the "Yahoo Assistant" software of the Beijing Alibaba Information Technology Corporation (Alibaba) as "software made in bad faith", and deleted the software by default. Alibaba argued that this act was contrary to the commercial ethics, tarnished its goodwill, and constituted an act of unfair competition. Upon hearing the case, the court held that the two interested parties, competitors in the same industry, should follow the principle of voluntariness, equality, fairness, honesty and credibility, and observe the accepted commercial ethics. It was completely up to consumers to decide whether to use the Qihu Safeguard product the Sanji supplied to delete the Yahoo Assistant software, and Sanji was not involved in the consumers' decision-making process. Therefore, the Sanji's act of supplying the Yahoo Assistant software was not contrary to law or the commercial ethics. In November 2006, the China Internet Association published the definition of the software in bad faith and its related form of expression. Sanji failed to sufficiently prove, according to the definition, that Yahoo Assistant software had the characteristics of software in bad faith as recognised in the industry. Therefore, its act of designating Yahoo Assistant software as "one made in software in bad faith" without sufficient evidence infringed Alibaba's goodwill and constituted an act of unfair competition. But it did not constitute an act of fabricating and spreading false story as prescribed in Article 14 of the Unfair Competition Law. Accordingly, it was adjudged that Sanji be liable for ceasing the infringement, make an apology to Alibaba on its homepage for 24 consecutive hours and pay RMB 40,279 yuan in compensation for the damages.

Zhejiang Lanye defeated Pepsi in dispute over "LAN SE FENG BAO" trademark

Civil Ruling No. Zheminsanzhongzi 74/2007

In 2003, the Lishui City Lanye Brewery Industry Co., Ltd. (Lanye) filed an application for, and was granted, the regis-

tration (No. 3179397) of a trademark composed of the Chinese characters "Lan Se Feng Bao" meaning "blue storm", its Pinyin and device to be used on goods in class 32, including malt beer, water (beverage) and coke. In 2005, the Shanghai Pepsi Coke Corporation (Shanghai Pepsi) launched a promotional activities by the name "Lan Se Feng Bao", with these four Chinese characters notably placed on the labels of the Pepsi cola bottles. Lanye, therefore, sued Shanghai Pepsi in the court. The court of first instance held that Lanye's litigant claims against the trademark infringement and unfair competition should not be supported. Lanye then appealed. Upon hearing the case, the court of second instance held that Shanhai Pepsi had actually turned the Lan Se Feng Bao label into a trademark in the series of its promotional activities. For the use of a trademark "includes its use on goods, package or container of goods, and goods transaction documents, or in advertisement, exhibition, or any other commercial activities". Shanghai Pepsi used the Lan Se Feng Bao trademark on such advertising carriers as promotional posters and shelves. In addition, it directly put the Lan Se Feng Bao trademark on its coke containers, which was clearly an act of using the trademark. The Lan Se Feng Bao trademarks used by both Lanye and Shanghai Pepsi were identical in typeface, pronunciation and meaning, and had misled the relevant public about the origin of the Lan Se Feng Bao product since consumers would associate the product of Lanye with that of Shanghai Pepsi, so that they would dissociate Layye's products from the trademark in suit. Accordingly, the Zhejiang Province Higher People's Court made the judgment that Shanghai Pepsi stop infringement immediately, and pay Lanye RMB 3,000,000 yuan in compensation for the economic injury suffered by Lanye.

Lanye's registered trademark

Shanghai Pepsi's promotional advertisement

Use of similar representation to pass off as Kodak products stopped

Civil Ruling No. Changzhongminsanchuzi 0050/2007

The Eastman Kodak Corporation (Kodak) registered in China the trademarks "KODAK, Kodak" and the "K-shaped device" as early as in 1982. In 2006, upon reviewing, the Trademark Office of the State Administration for Industry and Commerce established, as a well-known mark, the registered trademark "KODAK", which Kodak used on the goods and services in classes 1, 9 and 40 of the International Classification in respect of which the registered trademark was approved to be used. In August 2005, the Meichi Corporation (Meichi) used, without authorisation from Kodak, the word "Kodakoptics" and "K device" similar to the "K"-shaped device of the trademark on the "inductive thermal-protective explosion-proof film" it produced and sold to be used on glass for motor vehicles and buildings. Kodak argued that this act had severely diluted the "KODAK" well-known mark, constituted an infringement of said trademark and an act of unfair competition. It sued in the court.

Upon hearing the case, the court held that, though the products in suit of the plaintiff and defendant were different in class, but given that Kodak's related trademark was an established well-known mark, the trademark used on the product the defendant sold was similar to the plaintiff's and the description of the defendant's promotion pamphlets directly demonstrated its connection with the plaintiff, the defendant's act was sufficient to mislead consumers. It was therefore judged that the defendant immediately stop using the commercial representation comprosed of the word "Kodak" and the characters "**柯达**", stop immediately making and marketing the goods bearing the above-mentioned commercial representation, stop immediately the act of unfair competition of using the pamphlets promoting the infringing products, and pay the plaintiff RMB 200,000 yuan in compensation for its economic injury.

Meichi's product representation

Kodak Corporation's K-shaped device trademark

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