

On Registrability of Generic Names

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To put it simply, the generic name in the sense of the Trademark Law is the name of a goods or service, with focus on the special quality of a particular goods or service to distinguish one goods or service from another. The generic name has also been defined in substantially the same way in the relevant documents of the Trademark Office¹. Given that a generic name focuses on the special quality of a particular goods or service, a name of goods or services that has no effect on the quality is not a generic name in the sense of the Trademark Law.

The generic names are generally divided into two groups: the statutory generic names and the arbitrary generic names.

This point has been affirmed by the Supreme People's Court in the appellate case the Aitefu Corporation v. the Beijing Ditan Hospital, which involved unfair competition in connection with the 84disinfectant liquid: whether a commodity name is a generic name should be determined with account taken of the two aspects: (1) whether it is put on the list in the national or industrial standards and special reference books or dictionaries. If it is, the name is a generic name; and (2) whether it is arbitrary among the business operators in the same industry to generally refer to a class of goods. If it is, the name is determined as the generic name of the goods².

Substantially the same provisions have also been set forth in the Trademark Examination and Adjudication Standards³.

An arbitrary generic name may originate from a traditional name that manufacturers and consumers have long used to refer to some goods or service; it may also result from a diluted name particular to a well-known mark or famous goods.

Legislative evolution with regard to generic names

In the Trademark Law as of 1982 the generic name was strictly defined. Article 8 thereof provided that the generic name of the goods is prohibited to be used as a mark, that is, a mark consisting of a generic name of a goods or service must not be registered and used as such.

In the current Trademark Law as of 2001, provisions on the generic names are much less strict: use of a generic names is no longer banned, with restrictions on generic names spelt out only in the provisions concerning prohibition of registration. Meanwhile, a mark proprietor's use of a mark of a generic name is reasonably restricted as is shown in the provision below:

Article 11 of the current Trademark Law provides that "the following signs shall not be registered as a trademark: (1) those which consist exclusively of generic names, designs or models of the goods in respects of which the trademark is used; Where trademarks under the preceding paragraphs have acquired distinctiveness through use and become easily distinguishable, they may be registered as trademarks". As this provision shows, a trademark which consists exclusively of a generic name lacks distinctive character, and it must not be registered as a trademark, but this does not hinder it from being used as a trademark.

To the current Regulations for the Implementation of the Trademark Law has been added the provision of Article 49 "where a registered trademark consists of a generic name, ... , the proprietor of the exclusive right to use the registered trademark shall have no right to prohibit the fair use thereof

by another person". As the provision shows, the use of a registered trademark consists of a generic name is limited in scope of restriction: the trademark proprietor should not prohibit the fair use of the generic name by other manufacturers and operators. As in the trademark infringement case involving the Chinese term “甞溜” (pronounced as “zengliu”), from the Beijing Brewery Association the court knew that it was a common name for the unblended, raw liquor. Based on this, the court held that the defendant's use of the four Chinese characters “Beijing Zengliu” as a name of its product was a normal use of the generic name, and it did not infringe the plaintiff's exclusive right to use its trademark.⁴

Purpose to set forth the generic name provision

1. A generic name does not possess distinctive character as a registered trademark

Article 15.1 of the TRIPS Agreement provides “any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark.” Possessing its distinctive character, a sign is capable of distinguish the source of goods or services; hence, distinctive character (or distinguishability) is the essential attribute of a trademark. It is also provided in the Chinese Trademark Law that any sign devoid of distinctive character should not be registered as a trademark.

As the term indicates, a generic name, in its general use, is obviously incapable of distinguishing the source of goods or services. For that matter, it, in principle, should not be registered as a trademark. Of course, a generic name that is put in such constant use that it has acquired its secondary meaning and specific meaning on the part of consumers would be a matter to be treated in a different manner.

2. A generic name registered as a mark is prejudicial to the interests of manufacturers and business operators in the same industry.

The generality of a generic name determines that it is a resource common to all in a specific industry of goods or services. Jurisprudentially speaking, privatisation of the public resource is strictly restricted. Unless some special situation so requires, a public resource should not be monopolised by a particular entity. A generic name, being a public resource, should be owned by all in the same industry. A particular entity has no right to monopolise it. In their normal

business activities, market players place a corresponding generic name as the name of the goods or services they provide; its being monopolised by someone would greatly impede other business players in the same industry.

Elements to be considered in determining generic name prohibited to be registered as trademark

1. Formal elements for application of the provision prohibiting registration of generic names as trademarks

The formal element defined in Article 11 of the current Trademark Law with regard to generic names that should not be registered as trademarks is that non-registrable marks are those which consist exclusively of generic names. In practice there are two views and ways to interpret “consisting exclusively of”.

For one view, the provision should be construed as meaning that the word part of such a mark consists exclusively of a generic name. It does not matter whether it is a word mark or a combination mark for the reason that a law provision should not be literally construed merely in a mechanical way, but with consideration taken of its underlying legislative aim. A generic name is prohibited from registration under the Trademark Law out of the consideration of a generic name's being devoid of distinctive character and protection of the legitimate rights and interests of the other manufacturers and business operators. Therefore, generally speaking, so long as a mark in which a generic name is used and which as a whole would lead consumers to think that it is a generic name, it should not be registered as a trademark.

The other view, the one the writer also takes, is for making a strictly literal interpretation. That is, the prohibitive provision should apply only to marks that consist exclusively of generic names. Whether a trademark consisting of a generic name and other elements is registrable or not depends on whether it possesses distinctive character. If not, it is not registrable for lack of distinctive character under Article 11, paragraph one (3) of the Trademark Law.

For example, in the “灾害灵 (pronounced as ‘Miehailing’ MAESTAR and the device” mark case⁵, the court held the mark in suit consisted of the English letters and device did not constitute the circumstance provided for in Article 11, paragraph one (1) of the Trademark Law concerning generic name.

For determination of the distinctive character of a mark, this writer believes that the importance of the word part in a whole mark and the consumers' habitual way of identifying it should be considered; for a mark, which contains some other part in addition to the word part, if the word part consists exclusively of a generic name or the generic name takes up an important position in said part, it is generally believed that consumers would think the whole mark is a generic name. Unless it has acquired its secondary meaning, it should not be held to be distinctive.

2. Determination of generic names implicitly showing the goods or services

Given that the current Trademark Law highlights that a mark should not consist exclusively of the generic name of some goods or service, then determination of "the goods or services" is the premise of the determination of the generic name. Usually, goods or services are divided into many major classes, each of which, in turn, includes many subclasses. For example, the apple is a major class of fruit, under which there are subclasses thereof, such as Fuji apple and Guoguang apple, to mention just a few. Since in the Classification of Goods or Services for the Purpose of Trademark Registration is listed the major class of apple, without relating to the specific subclasses, this circumstance would be likely to arise where an applicant may have the name of a subclass registered as a mark to be used in respect of the goods or services of the major class. This requires determination of whether the name of the subclass is a generic name.

There is a common practice in the determination of the goods or services, that is, if the generic name of a subclass is registered as a mark used in respect of goods or services of the major class, said name is deemed to be the generic name of the goods or service. As in the case involving the mark "Zhuangyuanhong" applied for registration in goods of liquor in class 33, both the Trademark Review and Adjudication Board TRAB and the first-instance court held that the evidence was not sufficient to prove that "Zhuangyuanhong" represented the special quality of a particular variety of yellow rice wine in the brewery industry, and it became the generic name of the variety of yellow rice wine. From this, it may be assumed that if evidence showed that "Zhuangyuanhong" has become the generic name of the variety of yellow rice wine, it constituted the generic name of the goods of liquor in class 33, and should not be registrable as a mark⁶.

This practice is in line with the legislative aim of the law

provision. A generic name, no matter which class it indicates, is a public resource, and should not be monopolised by a particular market player. If registered as a mark, a generic name, be it one of a major class or subclass, lacks distinctive character, and affects the normal production and business of those providing the same goods or services. Therefore, allowing registration of the generic name of a subclass as a mark goes against the legislative aim.

3. From whose perspective to determine generic name

(1) Statutory generic name

A statutory generic name may be determined on the basis of the relevant national or industrial standards and publications, such as reference books or dictionaries; hence there exists no such issue of from whose perspective to determine generic name.

(2) Arbitrary generic name

From whose perspective to determine an arbitrary generic name has long been an issue of controversy, and there exist two views in practice:

For one view, a generic name should be determined from the perspective of the manufacturers and business operators. As in the 84 disinfectant liquid case mentioned above, it is held in the Supreme People's Court standards that whether a name is an arbitrary generic name or not depends on whether it is commonly used among the business operators in the same industry. Also in the case of dispute arising from infringement of the registered trademark "EM 原露 (pronounced 'yuan lu')", the Jiangxi Province Higher People's Court determined said mark as a generic name from the perspective of the manufacturers and business operators in the same industry⁷.

As for the other view, a generic name should be determined from the perspective of consumers. In the case of dispute arising from unfair competition involving the registered trademark, "Waterbird" word mark, the TRAB believed that in the absence of evidence showing that a quilt was called "Waterbird quilt" in provinces and cities other than Guangdong Province, the term "waterbird" was not a generic name of quilt.⁸

For this writer, the said practices are all reasonable to some extent. But, it is somewhat biased to make the determination absolutely from the perspective of manufacturers, business operators or consumers. A more reasonable way is to focus on manufacturers and consider the consumers as well. As far as the consumers are concerned, a manufacturer or business operator uses the generic name of its goods or

services as a mark, it is impossible only for consumers to associate some goods or services with their specific providers, and this generally does not have any other adverse effect. But as for manufacturers and business operators in the same industry, a manufacturer's or business operator's use of a generic name as a registered mark would inevitably impede other manufacturers and business operators in the same industry from using the identical name on their goods or services, which would often give rise to disputes. Meanwhile, it should also be pointed out that the standards for determination adopted by the manufacturers, business operators and consumers should not be definitely set apart. They are not in a not-this-then-that relations. The value of goods or services is eventually realised through consumers, and an arbitrary generic name becomes a generally used name also due to the consumers' acceptance to a large extent. Therefore, there is no substantial difference in the standards for determination of a generic name. The reason for highlighting the standards adopted by the manufacturers and business operators is more directed to the circumstances where different determinations are made on whether a name is a generic name of the goods or services to manufacturers, business operators and consumers. For example, a Chinese name of a name is generally known to consumers, but its English name is not. In case like this, as long as said English name is widely believed to be the generic name of the goods or services among the manufacturers and business operators in the same industry, it is possible to determine the English name as a generic name.

4. Regional scope of generic name

The following issues exist as to within what regional scope a generic name should be generally used.

(1) Whether it should be a name generally used within the territory of China

Economic development has made it possible for goods or services to be provided cross national border. As a result, many goods or services are now by no means particular to a specific nation or region. But differences in language and customs in various nations have rendered it hard to consistently refer to some goods or services. This situation will inevitably lead to the issue of determination of regional scope of generic name.

For one view, so long as a name is proved to be a generic name in a foreign country, it should be determined as a generic name of a special goods or services no matter whether it is possible to show that said name is generally

used within the territory of China. Under Article 11 of the Trademark Law, it should not be registered as a mark.

This writer does not agree with this view. A generic name should be determined within the territory of China. It is known to all that the Trademark Law is territorial. It regulates the trademark-related legal relations within the territory of a nation, and extra territorial factual and legal relations all fall outside the scope of its regulation. To be specific about generic names, it is to protect the interests of the Chinese manufacturers, business operators and consumers that the Chinese Trademark Law has set forth the provision on prohibition of some signs from registrability. Besides, whether a name is generally used in a foreign nation would be hard to have effect on the interests of the manufacturers, business operators and consumers in China; hence, this is not a factor to be considered when applying the generic name-related provision of the Chinese Trademark Law. If an interested party only files evidence showing that said name is generally used in a foreign nation, this would not naturally make said provision applicable to that name unless said name is proved to be also in general use in China.

(2) Whether a name must be generally used nationwide or in some regions.

For one view, a generic name should be one generally used nationwide since the Trademark Law is a national law, and a generic name should be determined within the whole nation. If a name generally used in a region is determined as a generic name, then some generic names are not protected as marks in some region while they are protected as such under the Trademark Law for they are believed to be generic names. This would ruin the uniformity of the rule of law.

In the case of dispute arising from the infringement of the mark "waterbird", the second-instance court, the Guangdong Higher People's Court, held that while some manufacturers and consumers call soft fibre quilt as waterbird quilt, whether "waterbird" is a generic name of the product should not be determined within the market in Guangdong Province only since a registered trademark is valid nationally, but not regionally. Account should be taken of the name recognised in the nation. In the absence of evidence showing that consumers have generally believe that waterbird is the name of a kind of quilt, it is now impossible to determine the term "waterbird" as a generic name of the quilt.

As for another view, a generic name of goods or services generally used in some regions may also be deter-

mined as a generic name in the sense of the Trademark Law as in the case⁹ of trademark dispute over the “Bullet” mark, the first-instance court held the “bullet” is one variety of hot pepper grown in Tuocheng, Henan Province because it is in the shape of bullet. Before the registration of the mark in dispute, the name “bullet” was a name the relevant sector of the public used to refer to hot pepper of a particular shape or species, and became an arbitrary generic name of such hot pepper.¹⁰ The second-instance court held that the doctrine of general use across the nation should be observed.

For this writer, the above two views are somewhat justifiable, but both are intrinsically flawed. First, while the Trademark Law is a national law and the exclusive right to use a registered trademark is a right valid across the nation, many goods, especially farm produce, are very much regional. Following the national general use doctrine in principle would result in these products having no generic names. Second, if a generic name is determined regionally the circumstance would arise where some generic names of some goods or services that are regional or less regional are likely to run into conflict with the national trademark right. Practice like this is not fair to trademark registrants.

The writer takes the view that a generic name is not absolutely required to be generally used nationwide, nor is it a name generally used in some regions that can be determined as a generic name. A generic name is determined if it is generally used in the region of production of the relevant products. To be specific, a regional product should be based on the region of production. For a non-regional product, its region of production is actually the whole nation.

As for the abovementioned “Bullet” mark case, this writer believes that while the first-instance court did not literally raise the concept of the region of production, it determined the term “Bullet” as a generic name under one important premise that bullet was a new variety of hot pepper developed in Tuocheng, Henan Province. In other words, Tuocheng is the region of production of the product. Besides, evidence also shows that where “Bullet” was a generic name of said variety of hot pepper there, it may be determined as the generic name in the sense of the Trademark Law.

In practice, two circumstances would arise. But if the production region doctrine is followed, it is easy to determine.

A. Identical generic name is used for products of a different subclass in a different region

For example, said term “Bullet” is the generic name of the two varieties of hot pepper grown in Tuocheng, Henan and Zunyi, Guizhou Province. According to the regional standards, a name that is generally used in a region of production of the relevant products may be determined as a generic name. Whether said name is also a name of some other variety of the products does not affect the determination of the generic name. If it is also a name of some other variety of the products, it shows that said name is in general use, and it is impossible to reach any opposite conclusion.

B. Different names used for same goods or services in different regions

For one goods or service, one name is used in one region, and another name in another region. In case like this, the writer thinks that by the standard of region of production, the two names should not be determined as generic names mainly out of the consideration that one should not cause a regional generic name to conflict with the national trademark right.

5. Time frame for determination of generic names

Two practices exist with regard to the point of time for the determination of generic names.

(1) Based on the date of filing of marks

A name that has become a generic name before the date of filing of a mark is not registrable; a name that becomes a generic name after said date is not excluded from registrability. That is, such generic name does not exist before the date of filing, the registrant may be held not to be intentional to monopolise the public resource in bad faith. But, if a later generic name denies the legitimacy of the prior registration, it is unfair to the registrant.

In the case of dispute over the mark “Zhuangyuanhong” the TRAB adopted this practice in handling it. In its adjudication, the TRAB pointed out that evidence in the case could not prove that before application for the registration of the mark in suit, “Zhuangyuanhong” was extensively and generally used as the name of yellow rice wine.¹¹

(2) Based on the date of filing opposition or revocation request

For this practice, what is considered is whether the mark becomes a generic name when a request is filed for opposition or revocation. If it does, it is prohibited from registration as a mark mainly to protect the interests of consumers, manufacturers and business operators in the same industry because a mark that has entered the public domain as a generic name does not have distinctive character any more,

and may be fairly used by all of them, so the mark registrant should not monopolise it.

In the case involving the mark “Youpan” (a name meaning “U memory device”), the TRAB handled the case this way. The “Youpan” mark was applied for registration, on 23 August 1999, in respect of goods of computer magnetic discs, computer memory device, and computer in class 9 of the International Classification. The registration of the mark was approved on 21 January 2001. On 23 October 2002, the Beijing Huaqi Aigo Corporation requested the TRAB to revoke the registration of said mark on one of the grounds that said mark, due to improper use, had lost its distinctive character and become a generic name. The TRAB supported the ground, holding that “Youpan” had become the generic name of the designated goods in respect of which the mark in suit was used, and it should not be registered as a mark.¹²

(3) The writer takes the view that the point of time should not be determined indiscriminately, but with account taken of these two different circumstances:

- For a name that has become a generic name before the date of filing, unless the mark registrant has evidence showing that said name has acquired its secondary meaning through use, it is not registrable. This is the basic meaning of the law provision on generic name prohibition.

- For a name that becomes a generic name when revocation or opposition is raised or requested, it should be dealt with as in the two different circumstances as follows:

If dilution results from letting it go unchecked actively or passively by the mark registrant, the mark should be revoked. If dilution results from an infringement and the mark registrant has spared no efforts to keep it distinctive, the registration of said mark should be upheld.

If a mark registrant failed to make his own efforts to help consumers to more readily associate the mark with the goods or services in respect of which it is used and to keep its distinctive character, or let go others' acts of infringement by using an identical or similar mark on the identical goods or services, then the dilution may be believed to have resulted from the mark registrant's implied consent. In case like this, it is naturally unnecessary for the trademark examination authority to uphold its validity any more.

Conversely, if the mark registrant makes constant efforts to keep the distinctive character of the mark, enabling consumers to distinguish the mark from the name of the goods and protecting his mark against infringement thereof, the registered trademark should remain valid even if rampant

infringement eventually reduced the mark to a generic name. Because a mark likely to be diluted to such an extent is usually highly reputable and its reputation has been won with much investment of human and material resources by the mark registrant, for the mark to be turned into a generic name as a result of what another party has done in bad faith is obviously unfair to the registrant, and would legitimise the infringer's infringing act. This obviously goes against the legislative aim of the Trademark Law.

As for the above “U memory device” trademark case, this writer believes that if the evidence now available cannot prove that it's the mark registrant's own act that has resulted in the dilution of said mark, whether the mark should be cancelled is worth careful consideration.

6. Lexical expressions of generic names

A generic name is the lexical or word part of a mark, which would unavoidably involve the matter of how a generic name is expressed or presented in different languages:

(1) Generic names expressed in Chinese

A Chinese generic name, be it a simplified, full or popular name, should be determined as a generic name. This is a matter of no disagreement in practice.

(2) Generic names expressed in English

This mainly means that the word part of a registered trademark is in English, but according to the relevant reference books or dictionaries, said English word is indeed a generic name of the designated goods or service. Regarding this, this writer believes that given the wide use in the world and in China, an English expression should be determined as one of a generic name. For example, the word “shoes” registered as a mark for the goods of shoes, or “TV” for goods of television sets should both be determined as expressions of generic names devoid of distinctive character.

Like the above discussion on from whose perspective to make the determination, an English generic name should be determined from the perspective of manufacturers and business operators in the same industry because except the simple English words, consumers find it hard to understand the English names of many goods or services and manufacturers and business operators in the same industry are quite likely to use English names to indicate their goods or services.

In the case of dispute over the “guarana and the device” mark registered by a North American beverage com-

pany, based on the dictionaries and books in the field, “guarana” is a standard name of a drink (may be put in the class of soda water), and a name of a plant grown in Brazil (and its fruit), and the “guarana” drink was named after the name of the fruit as an ingredient in the drink, the TRAB and court held that “guarana”, a generic name directly indicating the designated goods and the main raw material thereof, is not registrable for lack distinctive character¹³.

(3) Chinese translation of English generic name

As for whether the Chinese translation of an English generic name may be determined as a generic name, this writer believes that for most goods or services from a foreign country have their corresponding Chinese English name. If a fixed arbitrary translation is used as the translation of such a name, it may be determined as a generic name. But a translation not currently in general use should not be determined as a generic name. If the Chinese translation of the English word “violin” is registered as a mark on goods of violin, it is then a generic name of the goods, and is not registrable. If the old Chinese translation “Fanalin” of the English word “violin” is registered as a mark, which is no longer a currently used term, it is registrable because manufacturers, business operators and consumers would not take it as the generic name of the goods.

For some English words for which there are no standard Chinese translations in the dictionaries and other reference books, if a mark registrant transliterates it and registered its Chinese transliteration as a mark used in respect of the designated goods. It should not be determined as a generic name for this writer unless evidence shows that said transliteration is an arbitrary one in practice. The use of the translation *per se* would not make it possible for manufacturers, business operators and consumers to determine that the generic name of the goods or service is used. Take the above “guarana and the device” mark for example, if the applicant applied for registration of its Chinese transliteration “genuona” it would be registrable unless evidence showed that it was already a generally used in the industry.

(4) Generic name expressed in a foreign language, other than English

Since the language is not universally used, what is widely taught is English within the territory of China, and people who know the language are quite few, a generic name expressed in the foreign language for goods or services is not generally regarded by manufacturer, business operator and consumers as a generic name, so it should not

be prohibited from registration. ■

The author: Judge of the Beijing No.1 Intermediate People's Court

¹ In the Trademark Office's Notification on Several Issues Relating to Adjusting and Regulating Liquor Marks issued on 2 March 1989, it was pointed out that a generic name of goods refers to the standard name commonly used in the nation or an industry to reflect the essential distinction between goods of one class from those of another. A generic name of goods is established arbitrarily by way of wide acceptance in the society and an industry and through standardisation.

² See the Supreme People's Court's Civil Judgment No. Minsanzhongzi 1/2002.

³ See the Trademark Examination and Adjudication Standards formulated by the TRAB in December 2005, P.34.

⁴ See the Beijing No.1 Intermediate People's Court Civil Judgment No. Yizhongminchuzi 8465/2002.

⁵ See the Beijing No.1 Intermediate People's Court Civil Judgment No. Yizhongxingchuzi 360/2004.

⁶ See the Beijing No.1 Intermediate People's Court Civil Judgment No. Yizhongxingchuzi 195/2006.

⁷ See the Jiangxi Higher People's Court Civil Judgment No. Ganmin-sanzhongzi 5/2006.

⁸ See the TRAB's Adjudication No. Shangpingzi 237/1997.

⁹ See the Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 188/2006.

¹⁰ See the Beijing No.1 Intermediate People's Court Civil Judgment No. Yizhongxingchuzi 675/2005.

¹¹ See the Beijing No.1 Intermediate People's Court Civil Judgment No. Yizhongxingchuzi 195/2006.

¹² See the TRAB's Adjudication No. Shangpingzi 5569/2004 on 13 October 2004. The case is now pending in its second instance.

¹³ See the Beijing No.1 Intermediate People's Court Civil Judgment No. Yizhongxingchuzi 436/2006.