

Probing into Legal Issues in Dispute over “Qiaodan”



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Michael Jordan, a US super basketball player (the plaintiff), sued Qiaodan (Chinese transliteration of the English name “Jordan”) Sports Wear Co., Ltd, a sports wear manufacturer in China (the defendant), for infringing his right in the name, and the Shanghai No. 2 Intermediate People’s Court accepted the suit. The plaintiff claimed that the defendant had illegitimately used the Chinese transliteration of the name “Michael Jordan” on its products, premeditatedly misled consumers by its marketing means, and sought illicit commercial benefits by infringing his right in the name¹. While the cause of action is a dispute over the infringement of the right of name, it substantially involves several issues of conflict between the right of name and trademark right, conflict of the right of enterprise name, right for cessation of unfair competition and protection of the right of commercialisation². In this article, the writer will look into three key issues: whether the plaintiff is entitled to claim his right of name in “Qiaodan” in China; whether the right of name conflicts with the enterprise name right and whether the defendant should be ordered to cease its use of the word “Qiaodan” where the infringement is found.

I. Whether the plaintiff is entitled to claim his right of name in “Qiaodan” in China

Whether the plaintiff is entitled to claim his right of name in “Qiaodan” in China is the precondition for the adjudication of the case.

First, the issue involves whether the plaintiff not residing

within the territory of China is entitled to claim his right of name in China. For one view, under Article 99 of the Chinese General Principles of the Civil Law³, only the right of name of a Chinese citizen is protected in China. The plaintiff is not a Chinese citizen, and he is not a resident within the territory of China⁴; hence his right of name should not be protected in China. In this regard, this writer believes that the plaintiff has the right to claim his right of name in China for two reasons: 1) the right of name is one of the right of personality, which is the most important part of the human right, and the international human right documents, such as the Universal Human Rights Declaration, call on all nations to respect human rights⁵. Under this backdrop, it would be unreasonable in terms of morality and international obligation for China not to protect the right of name of a foreign national; 2) Article 8 of the Chinese Law on Application of Law Related to Foreign-related Civil Relations provides that the law of the place of his residence applies to the civil right capacity of a natural person. The plaintiff, as a US adult citizen, obviously has the civil right capacity of a natural person; and 3) the foreigner “within the territory of China” mentioned in Article 8 (2) of the General Principles of the Civil Law should be broadly interpreted, that is, so long as the foreigner has been to China or once reported by the media in China, he should be deemed to be within the territory of China, and he is entitled to claim his right of name in China.

Second, the issue involves whether the plaintiff enjoys the right of name in “Qiaodan” (Jordan). For one view, “Qiaodan” is only a common translation of the plaintiff’s surname, not a formal referent to his personality and identity, which is not sufficient to form a direct reference to the plaintiff himself, so it is difficult for the plaintiff to claim his right of name in “Qiaodan”.⁶ This writer holds a different view in this regard. The subject matter of the right of name is by no means limited to the personal name of a natural person, namely a name indicated on residence booklet, personal ID or passport. Such subject matter should be broadly interpreted to cover a given name, nickname, stage name, pen name or simplified name chosen or changed any time by the person himself.⁷

Whether a natural person can claim his right of name in a name mainly lies in whether the public particularly associate the name with said natural person and whether said natural person has clearly denied that he enjoys his right of name in the name. The plaintiff has been known as “flying man Qiaodan” to the public in China since 1980s as a super basketball player, and the Chinese people customarily use the surname, not the whole name, to refer to a foreigner. For this matter, the plaintiff has already been particularly associated with “Qiaodan” just as “Clinton” is used to refer to the former US President “Bill Clinton”. When a name is regarded as referring to a particular person, said name is eligible to the protection accorded to the right of name.⁸ Accordingly, the writer concludes that the name “Qiaodan”, as the subject matter of the plaintiff’s right of name, is entitled to the protection under the Chinese law.

II. Conflicts between right of name and the enterprise name right

The defendant in the case began to use the Chinese word “Qiaodan” as its corporate trade name in June 2000, and its enterprise name has been approved by the State Administration for Industry and Commerce (SAIC); it argued that its right in the enterprise name should be protected under the Chinese law.⁹ With the plaintiff enjoying the right of name in “Qiaodan”, how to address the conflicts between the right of name and enterprise name right is an issue worth our attention.

According to news report, most consumers cannot distinguish the two “Qiaodan” brands. Therefore, the defendant’s enterprise name containing the word “Qiaodan” misled the relevant sector of the public. Under Article 9 of the Provisions Concerning Registration and Administration of Enterprise Names, an enterprise name should not contain any word that might deceive or mislead the public. If the defendant has registered and used an enterprise name containing the word “Qiaodan”, infringed the plaintiff’s right of name and deceived or misled the public, the enterprise name should be found to be an improper enterprise name.¹⁰ Any entity or person may request the competent registration authority to make rectification with respect to a registered improper enterprise name, and the registration authority may do so *ex officio*.¹¹ For this reason, the plaintiff in the case may request the enterprise names registration authority to make rectification with respect to the defendant’s enterprise

name. Or the plaintiff may sue the defendant in the people’s court for infringing his right of name by registering and using the enterprise name;¹² the court may hold the defendant liable for ceasing the use and using it in a proper manner according to the plaintiff’s claims and the specific circumstances of the case.¹³ However, the plaintiff’s request filed with the registration authority and the court to order the defendant to make the rectification or cease using its enterprise name may not be supported for the reasons to be elaborated in the following section.

III. Whether the defendant should be ordered to cease its use of the word “Qiaodan” where the infringement is found

The defendant was granted registration of two “Qiaodan” word marks in respect of some goods in class 25, respectively on 28 September 2003 and 7 May 2004. Under Article 41, paragraph two, of the Trademark Law, the five-year term for dispute in connection with the two marks has expired. This means that it is impossible for the plaintiff to file a request with the Trademark Review and Adjudication Board (TRAB) for cancellation of the registration of the marks.¹⁴ If the plaintiff claims that the defendant’s use of the word “Qiaodan” (including the marks and enterprise name) infringed his right of name and the claim is supported, can the court order the defendant to cease using the “Qiaodan” word?

It is pointed out in Article 9 of the Supreme People’s Court’s Opinions on Several Issues Relating to Adjudication of IP Cases in the Service of the Overall Public Interest under the Present Economic Situation that where it is impossible to cancel a registered mark conflicting with another party’s prior property right, such as copyright or enterprise name right as the term for dispute mentioned in the Trademark Law expires, the prior right owner may still bring a civil action against infringement within the time for litigation, but the people’s court would no longer decide to impose the civil liability for ceasing the use of the registered mark”. The Supreme People’s Court’s above adjudication policy seems to indicate that if a registered trademark conflicts with another party’s personal right, even if the mark is not cancellable for the expiry of the term of dispute with respect to it, the people’s court may still hold the defendant civilly liable for ceasing the

infringement. Accordingly, some scholars argue that with respect to a mark infringing the right of name, there is no barrier in law to ordering the defendant to cease using the mark.¹⁵

On this matter, the writer believes that the Supreme People's Court's categorising rights conflicting with registered trademarks (namely, into property rights and personal rights) and accordingly deciding on whether a defendant is legally liable for ceasing use of a mark are not based on law or the doctrine of law. In the presence of infringement of the personal right or property right, the manner in which some civil liability is imposed varies. For example, a personal rights holder has the right to request to hold the infringer civilly liable for making an apology and eliminating ill effect, and even to pay for spiritual comfort, but a property right owner generally cannot get these remedies. In terms of imposition of the civil liability for ceasing an infringement and the exception to it, the property rights and personal rights do not differ. According to the Chinese laws and practice, where a defendant's act is infringing and still goes on or it is possible for the act to take place even if the infringement ceases, the court should generally hold the defendant civilly liable for ceasing the infringement. If ordering a defendant to cease an infringement is likely to affect the public interests, the court may not hold the defendant civilly liable for ceasing the infringement.¹⁶

Where a registered trademark conflicts with a prior right and the term for dispute with respect to the trademark expires, should the court order a defendant to cease using the registered trademark? The public interests should be considered first, that is whether the use of the registered trademark would infringe any non-particular third party's interests. If the relevant sector of the public get confused or mistaken about the source of goods or services due to use of the registered trademark, it should be found that their interests are infringed, and the defendant should be held civilly liable for ceasing the use of the registered trademark. As for the present case, if the relevant sector of the public believe that the defendant's "Qiaodan" brand comes from the plaintiff or is somewhat associated with him, then the court should order the defendant to cease using the registered trademark. The fact that defendant's "Qiaodan" marks have been determined as well-known marks in China should not be a factor to be considered by the court.

Third, whether the plaintiff makes his claim to the right in time or whether he deliberately delays making the claim is also the factor that the court should consider. Some

rightholders fail to make their claim when they know about the infringement, or deliberately delay doing so, and the failure and delay cause the defendant to believe that the plaintiff has given his implied consent. Since the defendant's production and sale have changed greatly in terms of scale, ordering it to cease using the registered trademark would have large adverse effect on the defendant. In case likely this, the court may not order the defendant to cease using the registered trademark. Where the rightholder fails to make a claim to his right, say he does not do so within the five years from the date on which he knows that the defendant has registered and used the relevant marks, the court should order the defendant to pay the plaintiff the reasonable royalties at the amount to be agreed upon between the two parties. Where they fail to reach an agreement on the amount, the plaintiff has the right to sue in the court to request the court to decide on the amount of royalties.¹⁷ Where the plaintiff deliberately delays making his claim to bargaining counters in negotiation for a deal, the court may not hold the defendant liable for ceasing the use, and does not order the defendant to pay the plaintiff royalties on the basis of the plaintiff's implied consent. As for the present case, if the defendant can prove that the plaintiff failed to make claim with regard to his right in time or intended not to, it would have large impact on whether the defendant should be liable for ceasing the use of the registered trademark or for paying the plaintiff the royalties. However, with the court not holding the defendant liable for ceasing the use of the registered trademark, no matter whether the defendant is liable for paying the plaintiff the royalties, the court should order the defendant to make an additional statement in a proper manner when using the registered trademark, indicating that the registered trademark is not related in any way with the plaintiff to eliminate any misleading or misunderstanding on the part of the relevant sector of the public. In the present case of dispute, the court may order the defendant to indicate that the trademark is not related in any way with "Michael Jordan" when using the trademark so as to balance the interests of the plaintiff, the defendant and the relevant sector of the public at large.

Likewise, the enterprise name registration authority or the people's court should refer to and apply the same doctrine for addressing conflict between a registered trademark and a prior right when deciding on whether to make rectification or order a defendant to cease using or alter its enterprise name in handling a case involving conflict between the enterprise name right and another party's prior right. In the

present case of dispute, if the enterprise name registration authority or the people's court determines that the plaintiff fails to make claim to his right in time or deliberately delays doing so, then it may not rectify the defendant's enterprise name or not order him or it to cease using or to alter his or its enterprise name.

Whether it is possible for the plaintiff to claim the right of name in "Qiaodan" in China is a matter of precondition in the case of dispute over "Qiaodan". If it is possible for the plaintiff to do so and the defendant's use of the word "Qiaodan" constitutes an infringement, whether the defendant should be ordered to cease using said word would be the "largest point of interest" in the present lawsuit. ■

¹ See the article entitled *Michael Jordan Sued Chinese Qiaodan for Infringement of His Right of Name* on <http://www.sina.com.cn> visited on 23 February 2012.

² For this writer, the concept of right of commercialisation is absent in the current Chinese laws while a few courts have made some effort to look into the matter.

³ The Article provides: "Citizens shall enjoy the right of personal name and shall be entitled to determine, use or change their personal names in accordance with relevant provisions. Interference with, usurpation of and false representation of personal names shall be prohibited."

⁴ Under Article 8 (2) of the General Principles of the Civil Law, unless the law otherwise provides, the provision of this Law relating to citizen applies to foreigners residing within the territory of China. So if Jordan is, then his right of name should be protected in China.

⁵ See the Preface of the Universal Human Rights Declaration.

⁶ Wang Guohao "Flyingman Jordan Tells Qiaodan Sports Wear Co., Ltd.: Experts' Heated Discussion on "Qiaodan" Case, published on the China Intellectual Property News, on 27 April 2012, P.23.

⁷ Wang Zejian, the General Principles of the Civil Law, the China University of Politic Sciences and Law Press, 2001, P.132.

⁸ See Wang Liming, Personality Right Law, the Remin University of China Press, 2009, P.189.

⁹ See the article entitled *Jordan Suing Qiaodan, and Nike Benefits from the Suit*, <http://www.sina.com.cn> on 1 March 2012.

¹⁰ See Article 41 of the Measures for Registration and Administration of Enterprise Names.

¹¹ See Article 5, paragraph two, of the Measures for Registration and Administration of Enterprise Names.

¹² In practice, as regards conflicts between enterprise names and other parties' prior rights, some believe that where a prior right owner does not file a request within five years from the date of registration of an en-

terprise name, his or its later request will not be protected. See the Beijing Higher People's Court's Answer to Several Issues Relating to Adjudication of Cases of Dispute over Trademarks and Use of Enterprise Names (No. Jinggaofafa 357/2002). Also see the State Administration for Industry and Commerce's Opinions on Addressing of Several Issues Relating to Trademarks and Enterprise Names (No. Gongshangbiaozi 81/1999).

¹³ See Article 4 of the Supreme People's Court's Provisions on Several Issues Relating to Adjudication of Civil Cases of Disputes over Conflict between Registered Trademarks, Enterprise Names and Prior Rights.

¹⁴ Of course, in the dispute, the plaintiff might claim that before the defendant's registration of the two marks, "Qiaodan" had become a non-registered wellknown mark in China. Then, he would not be subject to the fiveyear limitation. But the plaintiff would be under such a heaven burden of proof that it was difficult for him to meet. This writer guesses that this is the reason for his not making the claim.

¹⁵ Zhang Weijun and Xu Chao, Comments on Michael Jordan v. Qiaodan Sports Co., Ltd., carried in the Electronics Intellectual Property, 2012, Issue 3, P.24.

¹⁶ See the Fujian Province Higher People's Court's Civil Judgment No. Minzhichuzi 4/2001.

¹⁷ This writer disapproves the practice of the Fujian Province Higher People's Court to directly determine the amount of license royalties. The amount of license royalties should embody the market value of the right in suit; hence it should first be fixed through negotiation between the two parties to the case.