

Latest Developments in Adjudication of IP Cases by Beijing Higher People's Court in 2011

(Selected Trademark Cases)

The IP Tribunal of the Beijing Higher People's Court

Administrative trademark cases

Article 10, paragraph two, of the Trademark Law on geographical names

Determination that foreign geographical names not well known to the public in China may be registered as trademarks.

Article 10, paragraph two, of the Trademark Law provides that any foreign geographical names well known to the public should not be used as trademarks, but those having otherwise meanings or being an element of a collective mark or certificate mark should be exclusive. By "well known to the public" in the provision is meant being known to the general public in China. As for those not well known to the public in China, where the applicants thereof have already applied for and been granted the registration thereof to be used in respect of identical or similar goods or services, and the earlier trademarks have acquired certain reputation, these marks may be approved for registration.

In the Shanghai Qingshui House Wares Products Co., Ltd. (Qingshui) v. TRAB¹, an administrative case involving review of refusal of the application for registration of the "SHIMIZU" mark, the mark in suit was applied, by Qingshui

on 18 May 2006, for registration to be used in respect of goods in class 21, such as thermos bottle and heat-insulation bottle. The Trademark Office decided to have refused the application for registration of the mark in suit on the ground that "SHIMIZU", translated as 清水 (Pronounced as "qing shui" and meaning "clear water"), was the name of the Shimizu City, Japan, which was a foreign geographical name well known to the public. Dissatisfied with the decision, Qingshui applied for review and adjudication of the decision. Upon examination, the Trademark Review and Adjudication Board (TRAB) concluded that "SHIMIZU" in the mark in suit was translated as "qingshui", which, standing for the third largest city of Shizuoka Prefecture, Japan, and also an important port city of the country, was a geographical name well known to the public and should not be used as a trademark. Accordingly, the TRAB decided to have refused the application for registration of the mark in suit. The Beijing No. 1 Intermediate People's Court concluded that while "SHIMIZU" in the mark in suit had the meaning of "Shimizu", it was hard for the public in China to take "SHIMIZU" as the Japanese city of Shimizu. The TRAB's decision to have refused the registration of the mark in suit on the ground that the mark in suit was a foreign geographical name well known

to the public was based on insufficient main evidence, and the court decided to have repealed the decision in suit, and ordered the TRAB to make another one.

In its trial of second-instance, the Beijing Higher People's Court also found out that Qingshui's "SHIMIZU" mark was applied for registration on 29 January 1996, its registration was approved on 7 July 1997, with its registration number 1045926, for it to be used in respect of goods, such as vacuum bottle and thermos bottle. The TRAB confirmed that the goods in respect of which said mark was approved for use were identical with or similar to the goods in respect of which the mark in suit in the case was approved for use. Besides, the internationally registered mark (No.873707) consisting of "SHIMIZU" was applied for international registration on 21 November 2005 by Qingshui, and the registration thereof was approved in Japan on 21 September 2007 to be used in respect of goods, such as vacuum bottle and refrigerating bottle. The Beijing Higher People's Court noted that the trademark in suit in the case consisted of "SHIMIZU", and what the TRAB cited from the English-Chinese Dictionary could prove that "SHIMIZU" had the meaning of "qingshui", indicating the geographical name of Shimizu City in Japan. However, linguistic differences made it difficult for the public in China to take "SHIMIZU" as the geographical name of Shimizu City in Japan; the evidence made available in the case was not sufficient to prove that "Shimizu City", as a Japanese geographical name, was one well known to the public in China. Besides, on 7 July 1997, Qingshui was granted the registration of the "SHIMIZU" mark to be used in respect of the goods identical with or similar to those in respect of which the mark in suit in the case was to be used, and the mark was used extensively. If the mark in suit in the case was not to be approved for registration, it would be hard to protect Qingshui's trust and interest derived from the trademark administrative authority on the basis of the above-mentioned mark. Moreover, considering the fact that the "SHIMIZU" mark (No. 873707) of international registration was approved on 21 September 2007 in Japan, the registration of the mark in suit should be approved.

Article 11 of the Trademark Law on distinctive character

Determination as to whether special terms or words with inherent meaning have distinctive character as trademarks

The distinctive character of a trademark refers to the character distinctive enough for the relevant sector of the public to distinguish the source of goods. Whether the word of a mark has its distinctive character should be determined

by taking comprehensive consideration of such factors as the meaning and pronunciation of the word *per se* and its shape, the goods in respect of which the mark is used, the common way the relevant sector of the public identify the goods bearing the mark, and the actual use in the industry to which said goods belong. Determination should be made as to whether a mark consisting of a foreign word in suit has distinctive characters on the basis of the common understanding of the relevant sector of the public in China. The foreign word in the mark in suit having inherent meaning would have no effect on the determination of its distinctive character where the relevant sector of the public are able to identify the source of goods on seeing the words.

In *Nuplex v. TRAB*,² an administrative case involving review of trademark refusal, Nuplex filed an application (No. 6045128) for registration of the "NUPLEX" mark to be used in respect of goods in class 1, such as chemicals for industrial use. The Trademark Office refused the application for registration of said mark on the ground that the mark in suit was devoid of distinctive character; the TRAB held the same view, and decided to have refused the mark in suit under the provision of Article 11, paragraph one (3), of the Trademark Law. The Beijing No. 1 Intermediate People's Court noted that the mark in suit consisted of the English word "NUPLEX", meaning nuclear power industrial (agricultural) complex (built around nuclear reactors); in the mark in suit, the word "NUPLEX" was used as a registered mark with no other character easily distinguishable, which was likely for consumers to wrongly view it as describing the characteristics of a business, not as a trademark. Therefore, the mark in suit was found devoid of any distinctive character which a mark should have, and the decision in suit was upheld.

The Beijing Higher People's Court noted, in the second-instance, that the "NUPLEX" mark in suit consisted of English letters, and "NUPLEX" was a special term having its inherent meaning. The goods in respect of which the mark in suit was to be used, such as industrial chemicals, photochemical preparation, unwrought synthetic resin, unwrought plastic and industrial adhesive, had no connection with the meaning of the word "NUPLEX", namely, nuclear power industrial (agricultural) complex (built around nuclear reactors). For this reason, use of the mark in suit in respect of the goods would not make consumers wrongly take it as describing a business, and could indicate the source of goods. Said foreign mark had distinctive character. The former court decision and the TRAB's determination that the mark was

devoid of distinctive character under Article 11, paragraph one (3), of the Trademark Law were not well based on evidence.

Determination of distinctive character of trademarks consisting of abbreviations of English phrases

Under Article 11 of the Trademark Law, the words should not be registered as trademarks which consist exclusively of generic names, designs or models of the goods in respect of which the trademarks are used, which exclusively have direct reference to the quality, main raw material, function, intended purpose, weight, quantity or other characteristics of goods and which are devoid of any distinctive character. But the above-mentioned words may be registered as trademarks if they have acquired distinctive character through use and become easily distinguishable. In respect of application for registration of trademarks consisting of abbreviations of words or phrases, some factors should be taken into account, such as the distinctiveness of the words and the meaning of its equivalents, and the applicants' use of the words.

In the Financial Planning Standard Commission (FPSC) v. TRAB and China Certified Financial Planners Association (CCFPA)³, an administrative case of dispute over trademark opposition review, the mark under opposition was “CFP” trademark (No. 3444245), which FPSC applied for registration to be used in respect of such services as education in class 41. The CCFPA filed an opposition to the application, but the Trademark Office decided to have approved the registration of the mark under opposition. For the TRAB, the evidence the CCFPA furnished proved “CFP” was the abbreviation of the phrase “Certified Financial Planner”; only those who had received professional training and passed the qualification examination could have the professional qualification to practice as certified financial planners; “CFP” was to be used in respect of the service of training and education, only directly showing the characteristics of the service; it is unlikely for consumers to take it as a mark, nor was it proper for the FPSC to exclusively use it; FPSC's claim that there was a sole and special connection between “CFP” and itself was not supported with evidence; the mark under opposition was a lexical item that should not be registered as a trademark under Article 11, paragraph one (3) of the Trademark Law. Consequently, the TRAB decided not to approve the registration of the mark under opposition. The Beijing No. 1 Intermediate People's Court took the view that the evidence the FPSC produced could only show the use by the licensee

of the “CFP” mark, not the sole correspondence established between the mark under opposition and the FPSC. The “CFP” mark under opposition was the abbreviation of the phrase “Certified Financial Planner”; the use thereof on the service in respect of which the mark under opposition was to be used only indicated the relevant characteristics of the service without representing distinctive character, which was not in conformity with the provision of Article 11, paragraph one (2), of the Trademark Law. It was not prudent for the TRAB to have decided that the registration of the mark under opposition was contrary to Article 11, paragraph one (3), of the Trademark Law, and rectification should be made under the law. However, as the TRAB's decision had not any impact on the conclusion to be made in the case, the decision was upheld.

The Beijing Higher People's Court concluded, in its second-instance hearing, that while the mark under opposition was an abbreviation of the phrase “Certified Financial Planner”, said mark *per se* had certain distinctive character. The interested party submitted the evidence relating to “CFP” after the filing date of the mark under opposition, which proved that upon use for a long time, the “CFP” was gradually recognised by the relevant sector of the public and used as a mark for education, training and certification of certified financial planners. A lot of evidence produced in the case showed that the FPSC first used the “CFP” in China, and licensed the relevant organisation, such as the Financial Education Development Fund, to use it in the program of administration in China, for example, education, training and certification of certified financial planners. Therefore, the CCFPA enjoyed the legitimate right in the lexical item “CFP”, and its registration of the mark under opposition complied with the Trademark Law.

Article 13 of the Trademark Law on well-known marks

Determination on practical use of marks in respect of goods as a result of variation in the names of goods in the Classification of Similar Goods and Services

Since names of goods listed in the Classification of Similar Goods and Services vary in its different versions, even the same goods are named differently in the Classification of Similar Goods and Services in different period of time. If a trademark registrant does not change the name of goods according to a revised version of the Classification of Similar Goods and Services, objective determination should be made on the basis of the factors of the business scope of a trademark registrant, the name of goods in respect of which

other registered marks are used, and the certificate of the name of goods from relevant industry association.

In the Guangdong Xizhilang Group Co., Ltd. (Xizhilang) v. TRAB and Shantou City Yalian Pharmaceutical Industry Co., Ltd. (Yalian)⁴, an administrative case involving trademark dispute, the Xizhilang requested to cancel the registration of the trademark in dispute on the ground that the “Xizhilang and the device” mark (the mark in suit) the Yalian had registered to be used in respect of goods in class 3 constituted a reproduction, an imitation, or translation of the “Xizhilang” mark (reference mark) it registered to be used in respect of goods in class 29 according to the provision of Article 13, paragraph two, of the Trademark Law. The Xizhilang’s reference mark was approved to be used in respect of goods of food, including gel, but the evidence Xizhilang furnished to prove the well-knownness of the reference mark was all used in respect of the goods of jelly. The TRAB concluded that the reference mark was approved to be used only in respect of goods of gel, not “jelly”, so it was not a registered mark approved to be used in respect of “jelly”, and Article 13, paragraph two, of the Trademark Law was not applicable. Accordingly, the TRAB decided to have maintained the registration of the mark in suit. The Beijing No. 1 Intermediate People’s Court upheld the TRAB’s adjudication.

The Beijing Higher People’s Court noted, in the second-instance hearing, that, according to Xizhilang’s certificates issued respectively by the All-China Standard Center for Food Fermentation and the China Association of Bakery and Confectionery Industry, it could be determined that, in the foodstuff industry, “gel” and “jelly” were of the same goods. Based on the fact that Xizhilang was doing business within the scope of making and selling foodstuff, such as cakes, jelly and dairy products, it should be determined that “gel” in class 29 in respect of which the reference mark was approved to be used was “jelly”. The TRAB erred in determining that the goods in respect of which the reference mark was approved to be used excluded “jelly”, and Xizhilang did not register a mark in respect of it, so the law-specified elements of a registered well-known mark was absent in the present case.

Provision of Trademark Law on similar goods

Determination of similarity of non-regular goods in classification of goods

Whether goods or services are similar or not should be comprehensively determined on the basis of the general knowledge of the goods or services on the part of the rele-

vant sector of the public. If the names of goods or services of the mark applied for registration are not names of goods or services in the International Classification of Goods and Services for the Purposes of Registration of Marks and Classification of Similar Goods and Services, it is undue to determine whether goods or services are similar or not as limited to the class or similar group of goods or services, but with account taken of the function, intended purpose, manufacturer, channel of distribution and consumer groups of the goods, and the aim, content, mode and target intended recipients of the services; the determination is made by the standard of the general knowledge of goods or services on the part of the relevant sector of the public.

In the Shamen Zhantai Heat Insulation Film Co., Ltd. (Zhangtai) v. TRAB and Hou Minyi⁵, an administrative case of dispute over review of the opposition to the “Lei Ming” mark, the mark under opposition was the “Lei Ming” (written as “雷明” in Chinese) mark in respect of which the Dengfeng Xinning Motor Parts Business Department, with Hou Minyi as its owner, filed an application for registration to be used in respect of goods of group 1703 in class 17, such as “non-packing plastic film”; the reference mark “Lei Peng” (written as “雷朋” in Chinese) the opponent cited when filing its opposition was designated to be used in respect of goods of group 1705 in class 17, such as heat insulation paper, light filtering heat-proof flake and motor heat insulation paper, which were classified in “heat preserving, heat insulating and sound insulating materials of group 1705 in class 17. The materials of the similar group used asbestos as the main material, usually not required to have the light-filtering function. Both the Trademark Office and TRAB concluded that the goods in respect of which the mark under opposition was used and those in respect of which the reference mark was used were not identical or similar, so they decided to have approved the registration of the mark under opposition. The Beijing No. 1 Intermediate People’s Court ruled to have upheld the TRAB’s adjudication.

The Beijing Higher People’s Court noted, in the second-instance hearing, that as the goods in respect of which the reference mark was used were not of the regular names of goods in the international classification of goods, whether the goods were similar or not should be determined with comprehensive account taken of the factors, such as the intended purpose, consumer group, general effect and use, raw material of product and channel of distribution. The product in respect of which the reference mark was approved to be

used was mainly plastic film used on automobile glass for heat insulation, light filtering and explosion-proof, and in addition, on building glass for heat insulation and light filtering. Functionally, the “non-packing plastic film” in respect of which the mark under opposition was approved to be used was, generally, not film made of plastic for packing; the goods in respect of which the reference mark was used were mainly used for heat insulation, light filtering and explosion-proof, not for packing, either. As for the material and physical state, the goods in respect of which both the reference mark and the mark under opposition were used were film with plastic used as the main material. Therefore, the goods, such as “heat insulation paper, optical filtering heat-proof flake and motor heat insulation paper” in respect of which the reference mark was approved to be used were similar to the goods of “non-packing plastic film” in respect of which the mark under opposition was approved to be used in terms of raw material, physical state, function and intended purpose. While the goods in respect of which the reference mark was approved to be used fell into the similar group 1705 in class 17, but the goods were different from the goods of similar group 1705 in terms of function, intended purpose and material. Accordingly, the Beijing Higher People's Court decided that the TRAB was to make another adjudication.

Determination of goods deemed to be similar for being concurrently used or having the same function or intended purpose in practical use

While it is generally necessary to consider classification made in the Classification of Similar Goods and Services in identifying similar goods, it also should be noted that the classification is not the basis on which similarity is determined. Besides, there is no uniform standard for the classification of goods and similar goods in the Classification of Similar Goods and Services: some goods are classified according to their material. For example, metals and non-metals fall into different major classes; some are classified according to their intended purpose. For example, glass for building and furniture are put in different major classes; and still others are classified according to the source of power. For example, there are electric tools and hand tools. However, these goods may be determined as similar when used at the same time or as they have the same function and intended purpose in practical use.

In the Shanghai Tools Plant Co., Ltd. v. TRAB and Wenling City Fenghua Tools Plant⁶, an administrative case of dispute over the “Shang Gong Brand” mark, the mark in dis-

pute had been registered to be used in respect of goods in class 8, such as knife sharpener, agricultural tools (hand), razor, and hand jack; the reference mark had been approved to be used on goods of drill bit in class 8, metal cutting tools and cutting tools (hand tool) and screwing tap (hand tool). Both the TRAB and the Beijing No. 1 Intermediate People's Court decided that they were not identical or similar goods.

The Beijing Higher People's Court concluded, in the second-instance hearing, that while the goods in respect of which the mark in suit was approved to be used and those in respect to which the reference mark was approved to be used did not actually fall into the similar group of goods, they were related to an extent in terms of function, intended purpose, manufacturer, channel of distribution and consumer group. The reference mark had had certain reputation through years of continued use; the interested party failed to produce sufficient evidence to prove that the use of the mark in suit was sufficient to enable consumers to distinguish the source thereof from that of goods bearing the reference mark. Therefore, the goods of the two marks could be found similar; the mark in suit and reference mark constituted similar marks used in respect of similar goods; registration of the mark in suit would create confusion about the source of goods on the part of the relevant sector of the public.

Determination that registered mark should be taken into consideration when filing application for registration of related mark on the basis of registered mark

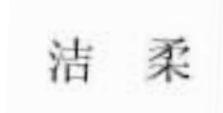
Under Article 22 of the Trademark Law, where it is necessary to alter the word of a registered trademark, a new application should be filed for registration. In the course of using a registered mark, if a trademark proprietor believes that an originally designed mark is somewhat flawed for some reason, say, not compatible with the concept of the business operation, he/it may alter the word of the mark used. But as said mark is a registered one, the trademark proprietor does not enjoy the exclusive right to use the altered registered mark, or its/his such use is even contrary to the relevant provision of the Trademark Law. For this reason, the trademark proprietor should file another application for registration of the altered mark. During the examination and approval for the registration of the trademark or in the dispute over it, the relationship between the mark and other registered marks should be properly treated with account taken of the relevant relationship between the mark and the originally registered mark.

In *Qu Jionsen v. TRAB and Zhongshun Jierou Corporation* (Zhongshun)⁷, an administrative case of dispute over the “Jierou and device” trademark (No. 734525) (See the Fig. below), it was Qu Jiansen’s mark registered, on 14 March 1995, to be used in respect of the goods of feminine napkin. Said mark was cancelled by the Trademark Office on 13 March 2005 for failure to renew the mark at the expiration thereof. The mark in suit was “Jierou” mark (No. 3112825) (See the Fig. below) which Qu Jinsgen applied for, on 13 March 2002, and was granted the registration on 7 February 2004 to be used in respect of goods in class 5: feminine napkin, air fresheners, mosquito-repellent incense, dental clean agent, medical cotton, medical preparation, oil for curing colds and contact lens rinse liquid. Reference mark 2 was approved for registration on 7 December 1998 to be used in respect of goods in class 16, such as toilet paper and tissue; the applicant thereof was Zhangshun. Reference mark 3 was approved for registration on 7 February 1999 to be used in respect of goods of toilet paper and tissue in class 16; the applicant thereof was Zhongshun. On 25 August 2008, Zhangshun requested to cancel the mark in suit. The TRAB concluded that the goods of feminine napkin in respect of which the mark in suit was used and the goods of toilet paper in respect of which reference marks 2 and 3 were used were similar goods bearing similar trademarks, and adjudicated to have cancelled the registration of the mark in suit as used in respect of goods of feminine napkin, and keep the registration valid in respect of the other goods.

The Beijing No. 1 Intermediate People’s Court upheld the TRAB’s adjudication



Trademark No. 734525



Trademark in suit



Reference mark 2



Reference Mark 3

The Beijing Higher People’s Court noted, in the second-instance hearing, that Qu Jionsen’s trademark (No. 734525) was filed for registration on 27 December 1993, and the registration would remain valid until 13 March 2005. Said mark was approved to be used in respect of goods of feminine napkin. Within the term of the mark. Qu Jionsen kept the

main part, namely, the word “Roujie” part, of the original mark; upon alteration of said mark, he filed another application for registration of the mark in dispute, which was approved to be used in respect of goods, including feminine napkin. Subjectively, Qu Jionsen did not have the intention to give up the “Jierou” mark, which might be deemed to a continuation of his right in the mark (No. 734525). While, in the Classification of Similar Goods and Services as revised in August 2002, goods of feminine napkin in class 5 and those of toilet paper in class 16 were classified as similar goods, the goods of feminine napkin and those of toilet paper were not classified as similar goods according to the Classification of Similar Goods and Services applicable when mark (No. 734525) and the mark in dispute were applied for registration. Besides, the mark in dispute had practically been used in respect of goods of feminine napkin, and the relevant sector of the public had certain knowledge of the mark in dispute. In line with the principle of fairness and showing respect for the history, keeping said mark valid was conducive to maintaining the stability of the market order.

Provision of the Trademark Law on trademark similarity

Determination of whether a trademark of foreign words and that of its Chinese translation constitute similar marks

In the litigation involving refusal review, when a reference mark is one of a foreign word and the main distinguishing part of the mark applied for registration is one of the Chinese translation of the foreign word, if they are used in respect of identical or similar goods or services, and the relevant sector of the public can see the correspondence therebetween, it is possible to determine that the two marks constitute identical or similar ones used in respect of identical or similar goods.

In *Nord v. TRAB*⁸, a case of dispute over trademark refusal review, the mark applied for registration was the “NORD and the device” mark (No. 727211) in respect of which Nord filed an international application for registration on 20 July 1999 in the Federal Republic of Germany. On 5 January 2006, Nord filed an application, with the Trademark Office, for extended protection of the mark within the territory of the People’s Republic of China to be used in respect of goods in classes 7 and 9, such as gear and gearmotor, and strong current technical engineering equipment for conduction, voltage transformation, storage, adjustment and control, namely, frequency converter used for electronic speed control and braking circuit breaker. On 20 July 1994, the China Beifang (or North) Industry Group Corporation filed an appli-

cation for registration of reference mark 2 “Beifeang” (meaning “north” in Chinese) mark (No. 844544) to be used in respect of goods of motor and the parts thereof in class 7. In respect of Nord’s application for trademark registration, the Trademark Office decided to have refused the application for registration of the mark on the ground that it was similar to the reference mark registered and used in respect of similar goods. The TRAB noted that the distinctive identifying word “NORD” in the mark in suit was a French word meaning “north” in Chinese, which was identical with that of reference mark 2. Their respective registration and use in respect of similar goods, such as gear and gear motor and motor and parts, were likely to create confusion on the part of consumers and mislead them; the mark in suit and the reference mark had constituted similar marks used in respect of similar goods. Therefore, the TRAB decided to have refused the application for extended protection within the territory of China, of the mark in suit used in respect of goods of gear and gearmotor in class 7, and preliminarily approved the extended protection, within the territory of China, of it used in respect of the strong current technical engineering equipment for conduction, voltage transformation, storage, adjustment and control, namely, frequency converter sued on/for electronic speed control and braking circuit breaker.

Both the Beijing Higher People’s Court and Beijing No. 1 Intermediate People’s Court concluded that reference mark 2 consisted of the Chinese characters “Beifang” (or “north”), and the mark in suit of “NORD” and the three-dimensional gear device with the word being its distinctive identifying part. French was an official or commonly used language used in many nations, regions and international organizations; “NORD” a commonly used word in French, meaning “north or the northern part” in Chinese, was identical in meaning with reference mark 2; the mark in suit and the reference mark 2 constituted similar marks. The goods of gear and gearmotor in respect of which the mark in suit was used were similar to those of motor and parts in respect of which reference mark 2 was approved to be used in terms of function, intended purpose, channel of distribution and consumers, so they constituted similar goods. The mark in suit and reference mark 2 were respectively registered to be used in respect of the aforementioned similar goods, which was likely to create confusion on the part of the relevant sector of the public, and they constituted similar marks used in respect of the identical or similar goods. Therefore, it was correct for the TRAB to have decided to refuse the extended

protection, within the territory of China, of the mark in suit used in respect of the goods of gear and gearmotor, and its conclusion should be maintained.

Determination as to whether foreign trademarks related in way of inclusion are similar marks

Similar marks refer to marks likely to create confusion in elements, such as words, numerals, devices or colours, while being distinguishable to an extent as a whole in pronunciation, visual perception, meaning or order of arrangement. Determination of whether two marks are similar or not should be made according to the standard that whether shape, pronunciation or meaning of words in trademarks are likely to create confusion about the source of goods on the part of the relevant sector of the public in line with the specific circumstances of an individual case. In an administrative case of dispute over trademark opposition review, where both the mark under opposition and reference mark are marks of foreign words and the former fully includes the later, and the latter is objectively of relatively high reputation, it is possible to affect the determination of trademark similarity and likelihood of confusion.

In BMW (translated into “bao ma” meaning “treasured horse” in Chinese) v. TRAB and Jiangxi Ganjiang Machinery Plant (Ganjiang Plant)⁹, an administrative case of dispute over trademark opposition review, the mark under opposition was “BMWCO and the device” mark (No. 1589945) which Ganjiang Plant applied for registration to be used in respect of goods of motorcycle in class 12. During its preliminary approval and publication the BMW filed an opposition with its earlier registered “BMW” mark (No. 282195) as the reference mark, used in respect of goods in class 12, such as motor vehicle, motorcycle and the parts thereof. Both the Trademark Office and TRAB decided that the mark under opposition and the reference mark did not constitute similar marks, and approved the registration of the former. The Beijing No. 1 Intermediate People’s Court upheld the decision and adjudication in suit.



The mark under opposition



The reference mark

The Beijing Higher People’s Court concluded, in the second-instance hearing, that the mark under opposition consisted of “BMWCO and the device”, with “BMWCO” in an artistic form being its main distinctive part and fully including the reference mark. In commercial practice, “CO” stood for

“company”, and co-existence of the two marks in the market place was likely to mislead consumers when they do their purchase or identifying the products, regarding the two as associated marks. Therefore, the two marks constituted similar marks. The goods of motorcycle in respect of which the mark under opposition was to be used were identical with or similar to the goods of motor vehicle, motorcycle and the parts thereof on which the reference mark had been used. The decisions of the TRAB and the Beijing No. 1 Intermediate People’s Court were not made on the basis of sufficient evidence that the mark under opposition and the reference mark did not constitute similar marks used on identical or similar goods, and the application for registration of the mark under opposition did not fall into the circumstance mentioned in Article 28 of the Trademark Law.

Determination that bad faith is not necessary condition for constitution of confusion and similarity of trademarks

By similarity of marks is meant that in the shape, pronunciation or meaning of the words of, or the composition and color of devices, or the whole structure of the combined elements, or its three-dimensional shape or combination of colors, which is likely to mislead the relevant sector of the public about the source of goods, or make them believe there is special association between the source of goods and the goods in respect of which the reference mark is approved to be used. Whether the application for registration of the mark in dispute is filed in bad faith is not the necessary condition for constitution of likelihood of confusion and trademark similarity.

In Li Hongliang v. TRAB and Yang Rongjin¹⁰, an administrative case of trademark dispute, Yang Rongjin filed an application for registration of the reference mark on 29 April 2003, and Li Hongliang the mark in dispute on 29 May 2003. On 24 November 2008, Yang Rongjin requested the TRAB to cancel the mark in dispute. The TRAB adjudicated to have cancelled the registration of the mark in dispute used in respect of goods of shoes and football boots, and kept the registration valid in respect of the other goods. The Beijing No. 1 Intermediate People’s Court took the view that while the application for registration of the reference mark was filed earlier, the time for the mark in dispute was only one month after; besides, both marks had not been used for a long time when applications for registration thereof were filed; it was an coincidence of the applications for registration of both marks to be used in respect of the identical goods; subjectively, Li Hongliang did not have the intention to take a ride with the

reference mark. While both Li Hongliang and Yang Rongjin lived in Fujian Province, they were in different cities, and had different groups of consumers. Furthermore, the mark in dispute, which was approved for registration on 21 October 2005, had been used for a relatively long period of time before, and gained a certain reputation in the market with a group of the relevant sector of the public formed. To show full respect for the market reality that the relevant sector of the public had objectively distinguished the two marks one from the other, and lay stress on maintaining the existing stable market order, it might be concluded that consumers were able to distinguish the two marks for the long operation and co-existence thereof in the market; the two did not constitute similar marks used in respect of the identical or similar goods. The court, accordingly, reversed the adjudication in suit.

The Beijing Higher People’s Court noted, in the second-instance hearing, that Li Hongliang filed the application for registration of the mark in dispute one month after the application for registration of the reference mark was filed, which was not sufficient to prove his bad faith, but bad faith was not a necessary condition for finding likelihood of confusion and trademark similarity. It was required in Article 1 of the Supreme People’s Court’s Opinions on Several Issues Relating to Administrative Cases Involving Trademark Right to fully respect the market reality that the relevant sector of the public have objectively distinguished two marks from each other, and lay stress on maintaining the existing stable market order. In the former litigation, Li Hongliang produced relatively little evidence to show using and advertising the mark in dispute and the goods bearing said mark; there was no invoice to prove any sales contract, and there was only one piece of evidence of advertisement, all the evidence was not sufficient to prove that his use of the mark in dispute could make the relevant sector of the public distinguish the mark in dispute from the reference mark, nor did Li Hongliang furnish any other evidence to show that the relevant public would not confuse the source of goods bearing the mark in dispute with that bearing the reference mark. For this reason, the condition for application of this Article was absent. It was factually and legally baseless to have concluded that use of the mark in dispute and the reference mark would not create confusion only on the ground that Li Hongliang did not file application for registration of the mark in dispute in bad faith and said mark had been put to use.

Article 31 of the Trademark Law on “prior rights” and “be

already in use and have certain influence”

Determination of parties claiming that registered marks infringe their right of names

Under Article 41, paragraph two, of the Trademark Law, where a registered mark is contrary to the provision of Article 31 of the Law, the owner of the mark or any other interested party may, within five years from the date of registration, request the TRAB to make an adjudication to cancel such a registered mark. The right of name, as a personal right of a natural person, should be exercised by the person himself; only under special circumstances is it allowable for another person to exercise it for him. Under the Trademark Law, the right of name is protected under the Trademark Law, with account taken not only of the similarity of the mark in suit to another person's name, but also of the extent to which the owner of the right of name is known to the public, and to the relevant sector of the public in particular. The person claiming that a registered mark infringes his right of name should be the person who is the owner of the right of name or is specially authorised by said owner.

In *Jing Shengqiang v. TRAB and third party the British Storm Model Management Ltd.* (Storm),¹¹ an administrative case of trademark dispute, directed against Jing Shengqiang's registered mark (No. 3271558) “凯特·苔藓” (pronounced as “kai te tai xian” in Chinese and Chinese transliteration of “Kate Moss”) KATE MOSS” (the trademark in dispute), the Storm requested the TRAB to cancel the registration of the mark in dispute. The TRAB noted that the English part of the trademark in suit was the name of a British famous super model, and the Chinese part, the Chinese transliteration of “Kate Moss”; said model enjoyed certain reputation in the fashion industry. Using the mark in dispute in respect of the same goods was likely to infringe another person's right of name, and was contrary to the provision of Article 31 of the Trademark Law that the application for registration of a mark should not infringe another party's existing prior right. The TRAB, therefore, adjudicated to have cancelled the registration of the mark in dispute.

The Beijing No. 1 Intermediate People's Court noted that Storm made its claim on the ground that the registration of the mark in dispute infringed the right of name of the model, Kate Moss. However, the evidence available only proved that Kate Moss had authorised Storm as her agent to deal with matters related to the mark in dispute in the case, without authorising it to have any substantial right and interest relating to the name “Kate Moss”. Under the circum-

stance where Storm did not furnish any other evidence, it was impossible for the letter of authorisation or power of attorney alone to prove that Storm was a party having its interest in the name “Kate Moss”. For that matter, Storm had no right to make the claim on the ground of the existing prior right in the case, nor should the TRAB accept the claim Storm made based on the prior right of name. Accordingly, the Court reversed the adjudication in suit.

The Beijing Higher People's Court concluded, in the second-instance hearing, that Storm claimed that the registration of the mark in dispute infringed the right of name of the model Kate Moss. To prove that it had the right to make the claim on this ground, Storm produced a letter of authorisation from the model, Kate Moss, in which it was clearly stated that model Kate Moss had authorised Storm to be her “agent and representative to deal with matters related to model business and other commercial activities”, and that Storm “was fully authorised to deal with the matter of application in the case involving the ‘KATE MOSS 凯特·苔藓’ trademark (Registration No. 3271558; Class: 25) in the region of China ... all documents required to be submitted and all actions to be taken in relation to the relevant application”. During the administrative examination, Jing Shengqiang did not raise any objection to the Storm's qualification to make the claim in the case, and Kate Moss herself filed a statement with the court of appeal, further specifying that Storm's claim was the true expression of her own will and that “I have fully authorised Storm the right in connection with use of my name, portrait, biography, nickname and trademark”. From the letter of authorisation and statement it was sufficient to conclude that Kate Moss, the model, had authorised Storm to make claim in her name in the case, and, more importantly, Storm was an interested party having direct commercial relations with the name “Kate Moss”, and was an interested party as mentioned in Article 41, paragraph two, of the Trademark Law, who was entitled to make the claim.

Determination that it is necessary to prove that one is an interested party in relation to a prior trade name when claiming that a registered trademark infringes the trade name

Trade name is one of the civil rights eligible to protection, but the trade name protected under Article 31 of the Trademark Law as a prior right normally refers to one that is earlier used in respect of goods and services identical with or similar to those in respect of which a trademark in dispute is approved to be used, has certain reputation, and is likely to confuse and mislead the relevant sector of the public. One

who claims that a registered trademark infringes his or its prior trade name right should prove that he or it is an interested party in relation to the prior trade name. A person who has made investment and is not the sole investor is generally not viewed as an interested party.

In *Hunan Meilan Rilan Electric Appliances Co., Ltd. (Hunan Meilan Rilan) v. TRAB and Schneider (China) Investment Co., Ltd. (Schneider)*, an administrative case of dispute over the “MEILAN RILAN” trademark¹², the trademark in dispute was approved to be used in respect of goods in class 9, such as electrometer and set of electric testing devices, and the trademark owner was Meilan Rilan. Schneider requested to cancel the trademark in dispute on the ground that it infringed its prior trade name right, but the evidence Schneider produced in the trademark review and adjudication procedure was all evidence showing use of the “MEILAN RILAN” trade name or trademark word by its associated business, the Tianjin Meilan Rilan Corporation, in its production of, and dealing in, goods of breaker. Upon review, the TRAB concluded that first, the goods of electrometer in respect of which the mark in dispute was used was different from the goods of breaker and cable in function and intended purpose, and they were put in different groups of goods in the Classification of Similar Goods and Services, so they were not similar goods. Normally, similar mark used in respect of dissimilar goods was unlikely to confuse the relevant sector of the public about the source of goods, and the trademark in dispute was not one similar to the three reference trademarks used in respect of similar goods. Second, it was difficult, based on the evidence made available, to find the trademark in dispute constituting a plagiarism or imitation of a registered well-known mark in respect of dissimilar goods. Third, before the filing date of the trademark in dispute, “MEILAN RILAN”, as a trade name, had certain reputation, and was associated with Tianjin Meilan Rilan. While the trademark in dispute was used in respect of goods which was not similar to the goods of breaker, they were closely related to such goods in terms of consumers and channel of distribution in actual use; the registration and use of the trademark in dispute were likely to make the relevant sector of the public associate it with Tianjin Meilan Rilan, confuse them about the source of goods, and cause prejudice to Tianjin Meilan Rilan's interests. Hunan Meilan Rilan's registration of the trademark in dispute constituted an act of infringement of another party's existing prior rights as mentioned in Article 31 of the Trademark Law. The TRAB adjudi-

cated to have cancelled the registration of the trademark in dispute. The Beijing No. 1 Intermediate People's Court noted that Schneider had never used “MEILAN RILAN” as a trade name, and any existing prior interests generated from the prior use of the Tianjin Meilan Rilan in which it invested as a trade name should not naturally belong to Schneider, and the goods of breaker related to the right of Tianjin Meilan Rilan's prior trade name were different from the goods of electrometer and set of electric testing devices in respect of which the trademark in dispute was approved to be used in specific function, intended purpose, and manufacturer; they were dissimilar goods. The TRAB's application of Article 31 of the Trademark Law was not in line with the legislative aim of the provision; hence, the Beijing No. 1 Intermediate People's Court reversed the adjudication in suit and ordered the TRAB to make another one.

The Beijing Higher People's Court concluded, in the second-instance hearing, that the trademark in dispute was filed on 17 December 2002, and the evidence Schneider produced in the trademark review and adjudication procedure was all related to use of the “MEILAN RILAN” trade name and the word of the trademark by Tianjin Meilan Rilan, its associated business in manufacture of, and dealing in, the goods of breaker; that even if Tianjin Meilan Rilan's use of word “MEILAN RILAN” had made it a trade name right before the filing date of the trademark in dispute, since Schneider had never used the word of “MEILAN RILAN” as a trade name, Schneider and the Tianjin Meilan Rilan were independent businesses, and the former was not the sole establisher or shareholder of the latter, with authorisation from the Tianjin Meilan Rilan, it was improper for it to claim that the trademark in dispute was contrary to Article 31 of the Trademark Law on the basis of the latter's right in the trade name. Accordingly, it was not undue for the Beijing No. 1 Intermediate People's Court to have decided that Schneider should not naturally have the existing prior rights and interests the Tianjin Meilan Rilan had obtained in the “MEILAN RILAN” trade name.

Determination that the scope of rights in prior trade name should be limited to identical or similar goods and services

Under Article 6 of the Supreme People's Court's Interpretation of Several Issues Relating to Application of Law to Trial of Civil Cases of Unfair Competition, a trade name in a business name that has certain market reputation and is known to the relevant sector of the public may be determined as a “business name” as specified in Article 5 (3) of the Un-

fair Competition Law. Where one claims that a trademark in dispute is his existing prior trade name, said trade name should conform to the provision. That is, it should be the trade name in a business name that “has certain market reputation and is known to the relevant sector of the public.” Since a business name is regionally relative, the scope of rights in a prior trade name should also be confined regionally, with the scope varying with the extent of reputation of the trade name and with account taken of the subjective bad faith in preemptive registration thereof. If a trade name reputable around the nation is preemptively registered, the preemptive registrant is presumed to be subjectively in bad faith. Besides, an existing famous trade name right can be posed only against registration of a later trademark in respect of goods and services identical with or similar to those in respect of which said trade name is used. Similar goods and services should be determined with account taken of the reputation of the prior trade name.

In *Tony Wear (Shanghai) Inc. v. TRAB and Beijing Bailihao Spectacks Co., Ltd.*¹³, an administrative case of dispute over reexamination of opposition to “汤尼威尔 TONY WEAR” mark, the trademark under opposition was the “汤尼威尔 TONYWEAR” mark (No. 3155046). Bailihao applied for registration in respect of glasses in class 9, and Tony Wear raised an opposition to it on the ground that “Tony Wear” was its prior registered and used corporate trade name. The TRAB adjudicated to have approved the registration of the mark under opposition, and the Beijing No. 1 Intermediate People’s Court maintained the TRAB adjudication.

The Beijing Higher People’s Court concluded, in the second-instance hearing, that the prior trade name right under Article 31 of the Trademark Law does not refer to all trade names prior to the filing date of a trademark applied for registration, but should refer to the trade name of a business name that has certain market reputation and is known to the relevant sector of the public. Besides, an existing prior trade name can only be posed against registration of a later trademark in respect of the identical or similar goods and services. While Tony Wear and its Beijing subcompany were set up earlier than the filing of the trademark under opposition, the evidence from Tony Wear could not prove that the “Tony Wear” trade name it had registered and used earlier had certain reputation. Besides, its trade name was used in respect of garment while the trademark under opposition was used in respect of goods of glasses, glasses frame, lenses, glasses cases, glasses-cleaning cloth, spectacle-string,

sunglasses, presbyopic glasses, optical glasses, and contact lenses. It could not be proved that it had dealt in goods relevant to the goods of the trademark under opposition, and garments were not similar to goods bearing the trademark under opposition; hence the Tony Wear’s trade name right in garment business could not be posed against the registration of the trademark under opposition in respect of the goods designated.

Determination of proper acceptance of plaintiff’s new evidence and the presence of certain influence of prior used trademark

In administrative trademark litigation, the defendant performing an administrative action is under the burden to prove the legality of its administrative action. Article 32 of the Administrative Procedure Law of the People’s Republic of China provides: “the defendant shall have the burden of proof for the specific administrative action performed and shall provide evidence and regulatory documents in accordance with which the action has been performed”. But providing evidence is not only a party’s obligation, but also his or its litigant right. While the provision of the Administrative Procedure Law distributes the burden of proof to the administrative authority that has performed an administrative action, other parties are not excluded or prohibited from exercising the right to adduce evidence. Article 6 of the Supreme People’s Court’s Provisions on Several Issues Relating to Evidence in Administrative Procedure provides that “a plaintiff may produce evidence to prove the illegality of a specific administrative action in suit. Where a plaintiff’s evidence is not tenable, the defendant is not exempted from its burden to prove the legality of its administrative action”. The provision of this judicial interpretation has further ensured a party’s right to adduce evidence in administrative litigation. If a plaintiff in an administrative litigation produces, under the law, evidence proving that the defendant’s administrative action is illegal, the people’s court may receive and accept it as such in the case according to the law.

In the *US Koss Corporation v. TRAB and the Dongguan Dongzhisheng Electronic Appliances Co., Ltd.* (*Dongzhisheng*)¹⁴, an administrative case of dispute over trademark opposition reexamination, the “KOSS and device” trademark under opposition Dongzhisheng applied for registration was to be used in respect of goods in class 9, such as loudspeaker, radio used on vehicles, and recorder. Koss filed an opposition to the application, and the Trademark Office decided that the grounds for the opposition were

untenable. Koss then requested the TRAB for reexamination mainly on the ground that its “KOSS” trademark was extremely well known in the industry, and it constituted a mark of prior use and one having certain influence. Koss also furnished 15 pieces of evidence. The TRAB concluded that Koss’s evidence could prove its prior use of the “KOSS” mark in mainland China, but was not sufficient to show that it was well known there before the filing date of the trademark under opposition after the mark entered the Chinese market; hence the TRAB decided to have approved the registration of the trademark under opposition. Dissatisfied with the decision, Koss sued and produced 32 pieces of evidence to show that the “KOSS and device” mark was used and had been well known in China before the filing date of the trademark under opposition. The Beijing No. 1 Intermediate People’s Court noted that Koss produced some evidence it had not produced in the phases of opposition and opposition reexamination, and the evidence was not the one on the basis of which the TRAB had made the adjudication, so was not accepted as evidence for the case. The evidence Koss produced during the trademark review and adjudication to show that its “KOSS and device” trademark was well known there before the filing date of the trademark under opposition was not sufficient to prove that said mark had had certain influence through Koss’s use, and the influence had reached Dongzhisheng. For this reason, the trademark under opposition was not a mark one preemptively registered by unfair means and one that another party had used and that had certain influence, so the court maintained the TRAB’s adjudication.

The Beijing Higher People’s Court concluded, in the second-instance hearing, that the TRAB had determined that some of the evidence Koss produced to it proved that Koss had used the “KOSS and device” mark in mainland China before the filing date of the trademark under opposition, and the use did not produce “certain influence” under Article 31 of the Trademark Law. Based on this and under Article 6 of the Supreme People’s Court’s Provisions on Several Issues Relating to Evidence in Administrative Procedure, it was not disallowable for Koss, as the plaintiff in the former trial, to produce additional evidence in the trial. It was too inflexible for the Beijing No. 1 Intermediate People’s Court not to have considered the additional evidence on the ground that the evidence was not produced in the phases of opposition and opposition reexamination. In the administrative proceedings should be properly treated the relationship between avoid-

ance of loss of instances and the doctrine of economy. While Koss could request to cancel the registration of the trademark under opposition after it was registered, if the evidence available in the case was sufficient to prove the non-registrability of the trademark under opposition, it was undue to fully disregard the new evidence the interested party produced in the litigation on the ground that there were other ways of remedy. The evidence Koss produced to the TRAB and Beijing No. 1 Intermediate People’s Court proved that before the filing date of the trademark under opposition, Koss’s prior use of the “KOSS and device” and “KOSS” marks had already had “certain influence”, and after the filing date of the trademark under opposition, use of Koss’s “KOSS and device” mark continued and became well known to an extent. Since several businesses in Dongguan, Shenzhen and Zhuhai, China were entrusted by Koss to make the “KOSS” brand earphones, it was quite possible for Dongzhisheng, a business in the same industry based in Dongguan, to have accessed to the “KOSS and device” and “KOSS” marks or the word of “KOSS”. Accordingly, its act of filing application for the registration of the trademark under opposition “was one to apply for registration, by unfair means, of a mark another party had used and had certain influence, and the mark should not be registered.

Article 41, paragraph one, of the Trademark Law on registration by any other unfair means

It is possible to deem registration of a batch of others’ trademarks and selling them to seek illicit profits to be acts of “acquiring registration by other unfair means” under article 41, paragraph one, of the Trademark Law

Application for registration of a mark should not infringe another party’s existing prior right. Article 41 of the Trademark Law provides that registration of a mark acquired by fraud or by other unfair means should be cancelled by the Trademark Office; and any other entity or individual may request the TRAB to adjudicate to cancel the registered trademark. Where the titles of another party’s works are registered in a large number as marks when the works are popular, or the registered trademarks are even sold to seek illicit profits, it is possible to deem such acts to be acts of acquiring registration of marks by other unfair means.

In *Jiangsu Labixiaoxin (transliteration of “Crayon Shinchan”) Garments Co., Ltd. v. TRAB and the Japanese Futabasha Publishers Ltd. (Futabasha)*¹⁵, a series of administrative cases of trademark disputes, Futabasha filed an opposition to the application for registration of the marks in

2005. The TRAB adjudicated to have kept the registration of the trademarks in dispute valid. Futabasha brought an administrative suit out of dissatisfaction with the adjudication. The court, while deciding to have upheld the adjudication in dispute, concluded that “as shown in the data produced by Futabasha relating to Chengyi Corporation’s marks in the past and the present, Chengyi had preemptively applied for registration of lots of others’ trademarks and sold them to seek illicit profits on a large scale with malicious, serious circumstances. As a work of word and device, “Crayon Shin-chan” was original, and was highly reputable in Japan, and the regions of Taiwan and Hong Kong before the filing date of the marks in dispute. Chengyi had reproduced the work and had the work registered as its trademarks in mainland China. From this act and its acts of applying for registration of lots of others’ trademarks on a large scale, it could be concluded that Chengyi had acted in obvious bad faith of infringing and preemptively registered others’ trademarks in violation of the doctrine of good faith and the provision of Article 41 of the Trademark Law. Given that Futabasha failed to produce such evidence in the trademark review and adjudication proceedings, it was not proper for the court to directly make its decision in the case.” In 2007, Futabasha again requested to cancel the trademarks in dispute, and produced a lot of evidence to show that the applicant of the mark in dispute had acted to preemptively register another party’s a lot of famous marks in obvious bad faith. The TRAB concluded that considering the fact that the registrant of the trademarks in dispute applied a lot others’ famous marks for registration, the act of applying for registration of the marks in dispute was contrary to the doctrine of good faith, disrupted the order of administration of trademark registration and the public order, infringed the public interests, and constituted an act of acquiring registration by other unfair means mentioned in Article 41, paragraph one, of the Trademark Law, and accordingly, cancelled the trademarks in dispute. The Beijing No. 1 Intermediate People’s Court upheld the adjudication.

The Beijing Higher People’s Court concluded, in the second-instance hearing, that Article 41, paragraph one, of the Trademark Law provided that where the registration of a trademark was acquired by fraud or by any other unfair means, any other organisation or individual may request the Trademark Review and Adjudication Board to make an adjudication to cancel such a registered trademark. The “Crayon Shin-chan” series of cartoons and animation films were

widely distributed and broadcast in Japan and the regions of Taiwan and Hong Kong, and were popular there before the filing date of the trademarks in dispute. The original applicant of the trademarks in dispute, the Chengyi Corporation was based in Guangzhou, very close to Hong Kong, and had reason to know about the reputation of “Crayon Shin-chan”. Chengyi Corporation was obviously in bad faith to have applied for registration of the word or cartoon image of “Crayon Shin-chan” as marks. Meanwhile, considering that Chengyi applied for registration of another party’s marks in a large number to sell them to seek illicit profits with serious circumstances, the TRAB’s conclusion made in Chengyi’s adjudication was right that its application for the registration of the marks in dispute was contrary to the doctrine of good faith, disrupted the order of administration of trademark registration and the public order, infringed the public interests, and constituted an act of acquiring registration by other unfair means mentioned in Article 41, paragraph one, of the Trademark Law.

Article 44 of the Trademark Law on use that has ceased for three consecutive years

Determination as to whether business internal receipts and invoices can be used as evidence showing use of marks

Article 44, paragraph four, of the Trademark Law provides that where use of a trademark has ceased for three consecutive years, the Trademark Office would order the trademark owner to rectify the situation or even cancel the registered trademark. Use of a trademark includes use of it in respect of goods, on their package and container, and on instruments for trade of goods, or use in advertising, promotion, exhibition and other commercial activities. Use of a mark should be practical use of it in business for the mark to function to indicate the source of goods. Proofs showing use of a mark include evidence of the trademark registrant’s use of the registered trademark, and use by trademark registrant’s licensing another party to use the registered trademark. In the presence of other supporting evidence, business internal receipts and invoices may be used as evidence to prove use of the mark.

In *Wan Jingang and TRAB v. Wang Jiandi*¹⁶, an administrative case of dispute over reexamination of trademark cancellation, Wang Jiandi requested to cancel Wan Jingang’s “Camel brand and service mark under reexamination on the ground of ceased sue thereof for three consecutive years, and the Trademark Office and the TRAB both rejected the request for cancellation, and kept the trademark under reex-

amination valid. The Beijing No. 1 Intermediate People's Court noted that the TRAB determined that the evidence showing Wan Jingang's use of the trademark under reexamination was the contract licensing Jiae Corporation to use it, five receipts produced by Jiae to Shixing Corporation, and a list of goods delivered by Jiae. Since the latter two kinds of evidence were used internally by the businesses, printing and use were somewhat at will; it lacked sufficient evidence for the TRAB to have adjudicated that the trademark had been put to practical use in business activities on the basis of such evidence. The TRAB had made the reexamination decision based on insufficient evidence.

The Beijing Higher People's Court concluded, in the second-instance hearing, that, in the evidence Wan Jingang produced in the review and adjudication phase were the license Wan Jingang concluded with Camel Corporation for using the trademark, the license Camel concluded with Jiae for use of the trademark and corresponding notifications on recordal of the trademark licenses, which proved that Jiae was the legitimate licensee of the trademark under reexamination. Further, on the five receipts Jiae produced to Shixing in 2006 all indicated the Jiae's list of delivered goods bearing the "Camel brand", "Camel brand and device", and "camel brand device" in 2006, showing "Shixing" as the name of client. The receipts and lists of delivered goods were commonly used in business transactions, affixed with Jiae's corporate seal. The evidence may be mutually verified. In the absence of evidence from Wang Jiandi to the contrary, it was due for the TRAB to have decided on the basis of it that the trademark under reexamination had already been put to practical use for three years.

Determination as to whether characteristics of goods and services constitute influence on use of trademarks

Use of a registered trademark includes the trademark registrant's use and its or his licensing another party to use it. Whether a trademark is put to practical and legitimate commercial use should be comprehensively determined with account taken of the characteristics of the goods and services bearing the registered trademark according to the relevant evidence and rules governing our daily life experience.

In Jinjiang City Liqi Fine Material Co., Ltd. (Liqi) v. TRAB and China Lucky Film Corporation (Lucky)¹⁷, an administrative case of dispute over trademark cancellation reexamination, the trademark under reexamination was Lucky's "LUCK-Y" trademark (No. 1248056) used in respect of goods in class 2, such as ink-jet printing ink and Xerox machine ink

(toner). On 5 November 2004, Liqi requested to cancel the registration of the trademark under reexamination on the ground that the use of the mark had ceased for three consecutive years. Both the Trademark Office and TRAB decided to have kept the registration valid. The Beijing No. 1 Intermediate People's Court concluded that the TRAB decided on the use of the trademark under reexamination merely on the basis of the trademark license and the package of the ink, but the trademark license only proved the license of the trademark under reexamination, and the package was only the outside package of the goods, which were insufficient to show that the goods bearing the trademark under reexamination had been practically put on the market in the absence of supporting evidence to show that it functioned to indicate the source of the goods. Thus, the Beijing No. 1 Intermediate People's Court decided to have reversed the TRAB's adjudication.

The Beijing Higher People's Court concluded, in the second-instance hearing, that, besides Baoding Lucky Digital Graphics Co., Ltd's license for use of the trademark under reexamination from 18 May 2001 to 17 May 2006 and the ink package respectively bearing the date of manufacture of 1 April 2004, 5 August 2004 and 26 September 2004, Lucky furnished the TRAB a lot of evidence in the form of invoices on which the trademark was printed and product sale invoices from 5 November 2001 to 4 November 2004. While on most invoices were indicated different types of ink, such as "Epson ink", "Mimaki ink", "NOVA ink" "Roland ink", "Mimaki ink". "Epson ink" "HP 3000 ink", "Mutoh ink", "Roland ink", "惠普 5000 ink" and "武腾 ink 8000" and photo printing paper, considering that the goods bearing the trademark under reexamination were ink-jet printing ink and Xerox machine ink (toner), often corresponded to the names of the relevant goods made and marketed corresponding to the types of printers and indicated in the invoices in the practical use were shown in the forms of "another manufacturer trademark, trade name or printer type+ink". With the trademark license and ink packages Lucky produced, according to the rules governing the daily life experience, the evidence available was sufficient to prove that the digital company licensed by Lucky had truly, legitimately used in commerce the trademark under reexamination from 5 November 2001 to 4 November 2004. Besides, Lucky produced a lot of other evidence, including goods made in the three years of reexamination and evidence of use of the mark after 4 November 2004, which was sufficient to prove that the trademark under

reexamination had been put to practical use in the three years relevant in the present case, and the intention to use the trademark under reexamination was constant and continued today. It was contrary to the legislative aim of the relevant provisions of the Trademark Law to cancel the trademark under reexamination under the circumstance. Accordingly, the Beijing Higher People's Court made another decision to have maintained the adjudication in suit.

Issue of Procedure

Determination of the relationship between examination of individual trademark cases and uniform examination standards

In administrative cases of trademark right grant and affirmation examination of individual cases and uniform examination standards should be dialectically unified. On the one hand, as the specific circumstances of each individual case is unlikely to be exactly identical, differences of individual cases should be fully taken into account in the examination thereof; this is a rule for the examination made in individual cases. On the other, proper uniformity of the examination standards should be considered in dealing with a type of cases with more or less the same circumstances, particularly the relevant cases. It is improper to completely disregard the similarity of one type of cases on the ground of the examination of individual cases. One type of cases should be determined according to roughly uniform standards. Where the similarity of a type of cases has an impact on the result of the decision made in a case which is greater than that of the difference thereof, the standards should be unified as much as possible; where the differences of a type of cases has an impact on the result of case decision which is greater than that of the similarity thereof, the rules for examination of individual cases should apply. Therefore, similarity and differences of a type of cases are related with each other in a way from quantitative change to qualitative change, and represents unity of contradictions. In judicial adjudication should be sought dialectical balance rather than emphasising unity between examination of individual cases or standards.

In the Inner Mongolia Xiaofei Yang Catering Chain Co., Ltd. (Xiaofei Yang) v. TRAB and Yantai Xinfu Industry and Trade Group Co., Ltd. (Xinfu)¹⁸, an administrative case of dispute over “Xiao Fei Yang” (meaning “little fat sheep” in Chinese) trademark, the mark in dispute was “Xiao Fei Yang” word mark in respect of which Xifa applied for registration to be used in respect of goods of vermicelli (noodles) made from bean starch in class 30. Xiaofei Yang requested to

cancel its registration on the ground that the mark in dispute was one that should not be granted approval for trademark registration under Article 31 of the Trademark Law, and furnished, as a reference mark, its earlier registered “小肥羊” (pronounced as “Xiao Fei Yang”) “LITTLE SHEEP” and the device” mark approved to be used in respect of services in class 42, such as restaurant and hotel. The TRAB adjudicated to have maintained the registration of the mark in dispute. The Beijing No. 1 Intermediate People's Court concluded that the mark in dispute was used in respect of goods of vermicelli (noodles) made from bean starch in class 30 while the reference mark on service of catering; they were not identical or similar goods or services. For this reason, the court ruled to have upheld the TRAB's adjudication. However, in another case heard simultaneously by the same judge of the court, the Xiaofei Yang Corporation filed an opposition against another “Xiao Fei Yang” word mark used in respect of goods in class 29, such as soup stock and pickled vegetables based on the same reference mark and substantially the same ground. Upon the TRAB's adjudication that the reference mark and said mark were not similar marks used in respect of similar goods or services, and approved the registration of said mark, the Beijing No. 1 Intermediate People's Court concluded that the goods of soup stock and pickled vegetables in class 29 in respect of which the mark under opposition was used constituted goods or services similar to the service in respect of which the reference mark was approved to be used, and ruled to have repealed the TRAB's adjudication. The court decision took effect as the interested parties did not appeal.

The Beijing Higher People's Court concluded, in the second instance hearing, that the evidence available was sufficient to prove that the Xiaofei Yang Corporation's service name of “Xiao Fei Yang” gained relatively high reputation and became the name particular to its well-known service before the application was filed for registration of the mark in dispute to be used in respect of catering service. The mark in dispute in the case was used in respect of goods of vermicelli (noodles) made from bean starch in class 30; “Xiao Fei Yang”, a name particular to a well-known service, involved the service of catering; the consumer groups of the two were ordinary consumers; the distribution channels and consumption venues were related to a certain extent; it was possible for the relevant sector of the public to be involved in the vermicelli (noodles) made from bean starch when engaging in, accepting or participating in the service of catering with

the name particular to the well-known service “Xiao Fei Yang” involved. Meanwhile, considering the facts that “Xiao Fei Yang” gained relatively high reputation and became the name particular to the well-known service of the Xiaofei Yang Corporation before the application for registration of the mark in dispute was filed, it could be found that the two constituted similar marks in respect of similar goods or services, and the registration of the mark in dispute infringed the Xiaofei Yang Corporation’s prior right in “Xiao Fei Yang”, the name particular to the well-known service. The decision of the Beijing No. 1 Intermediate People’s Court and adjudication of TRAB that the mark in dispute did not infringe the Xiaofei Yang Corporation’s prior right was erroneous in fact ascertainment and undue in law application.

Handling of request for suspension of proceedings a party made on the ground of requested cancellation of reference mark

An administrative case involving grant and affirmation of the trademark right is an administrative case of a specific type in which the courts review the legality of a specific administrative action in suit. Decision on such legality should be made on the basis of the relevant facts when said specific administrative action is performed. The relevant judicial policy stresses that “if a prior right does not exist when a mark in suit is approved for registration, it does not affect the registration of the latter”¹⁹ in relation to determination of the prior right as mentioned in Article 31 of the Trademark Law, which only shows respect for the existing facts. In judicial practice, the court proceedings should not be suspended to wait for the outcome of examination of relevant facts on one’s own initiate as possible changes may take place to the specific facts based on which a specific action is performed no matter whether it proceeds for pursuit of judicial efficiency or respect for the fundamental principle of administrative litigation. For this reason, in hearing an administrative case involving grant and affirmation of the trademark right, the courts should generally not suspend the proceedings an interested party requests on the ground of possible cancellation of a reference mark.

In Zhao Jian v. TRAB and Weite Jianling Health Products Co., Ltd. (Weite)²⁰, an administrative case of trademark dispute, Weite filed a request for cancellation of registration of the “医之选 (meaning “doctor’s choice” in Chinese) Doctor’s Choice and the device” mark (No. 3344562) (trademark in dispute) which was assigned to Zhao Jian by the Kangzhao (Hong Kong) Co., Ltd. On 28 September 2009,

the TRAB made adjudication (No. 25465) to have cancelled the registration of the mark in dispute as used in respect of some goods. On 3 December 2009, Zhao Jian requested the Trademark Office to cancel of registration of the reference mark on the ground of non-use thereof for three consecutive years. On 1 February 2010, the Beijing No. 1 Intermediate People’s Court accepted Zhao Jian’s administrative litigation directed to the adjudication (No. 25465). On 16 March 2010, the Trademark Office accepted Zhao Jian’s request for cancellation. On 20 October 2010, the Beijing No. 1 Intermediate People’s Court upheld the adjudication (No. 25465). Dissatisfied with the decision, Zhao Jian appealed. On 13 December 2010, the Beijing Higher People’s Court accepted the case of appeal. On 15 December 2010, Zhao Jian filed an application with the court for suspension of proceedings of the case on the ground that the Trademark Office had accepted his request for cancellation of the reference mark.

The Beijing Higher People’s Court concluded, in the second-instance hearing, that Zhao Jian filed a request for cancellation of the reference mark on the ground of its non-use for three consecutive years. While the Trademark Office officially accepted the request, Article 40 of the Regulations for the Implementation of the Trademark Law provides: “for a registered trademark cancelled under Article 44 or 45 of the Trademark Law, the Trademark Office shall publish it, and the exclusive right to use the said registered trademark shall be terminated from the date on which the Trademark Office makes the decision of cancellation”. Therefore, before the Trademark Office’s makes a decision in relation to cancellation and the decision takes effect, the reference mark was a valid registered mark. Accordingly, Zhao Jian’s request for suspension of the proceedings was not supported.

Determination as to another application filed for review and adjudication on the basis of same facts and grounds

Regarding Article 13, paragraph two, of the Trademark Law, if an interested party claims that an application is filed for registration of a mark in dispute which is a reproduction, imitation or translation of his or its same well-known reference mark, misleads the public, and causes damage to its interests in two procedures of trademark review and adjudication, whether the evidence the party used to prove the well-knownness of his reference mark was not the same, it falls into the circumstance that another application is filed for review and adjudication on the basis of the same facts and grounds as mentioned in Article 35 of the Regulations for the Implementation of the Trademark Law.

In the BMW v. TRAB and Sun Jinjun²¹, an administrative case of trademark dispute, the mark in dispute was “宝 (pronounce as “bao”) A8 马 (pronounce as “ma”)” mark (No. 1313506) Sun Jinjun had registered to be used in respect of goods of rain boots in class 25. On 31 March 2009, BMW filed a request for cancellation of the mark in dispute on the ground that the mark in dispute was contrary to Article 13, paragraph two, of the Trademark Law. On 18 January 2010, the TRAB made Adjudication (No. 1138) that the BMW, a German Corporation, once filed an improper request for cancellation of the registration of the mark in dispute on 19 December 2000. The TRAB concluded, in its adjudication (No. 24588) made on 10 November 2008, that use of the mark in dispute in respect of the designated goods or service did not fall within the circumstance as mentioned in Article 13, paragraph two, of the Trademark Law that the reproduction, imitation or translation of a well-known mark which is registered in China, misleads the public, and causes damage to the interests of the registrant of the well-known mark. In the case, the BMW's another application for review and adjudication fell within the circumstance where another request was filed on the basis of the same facts and grounds, and the grounds were not tenable. Accordingly, the TRAB adjudicated to have kept the registration of the mark in dispute valid, and the Beijing No. 1 Intermediate People's Court upheld the TRAB's adjudication.

The Beijing Higher People's Court concluded, in the second-instance hearing, that while, in the case, the evidence BMW produced to prove its well-known mark was different from that in Adjudication No. 24588, the fact it tried to prove was still the fact that its mark was well known and the ground was also that the registration of the mark in dispute was contrary to the provision of Article 13, paragraph two, of the Trademark Law. For this reason, in the case, the BMW requested for cancellation of the mark in dispute and that in respect of which the TRAB made its adjudication (No. 24588) were both filed on the basis of the same facts and grounds. In the case, the BMW's claim that the registration of the mark in dispute in violation of the provision of Article 13, paragraph two, of the Trademark Law was not in compliance with Article 35 of the Regulations for the Implementation of the Trademark Law; the relevant adjudication (No.1138) and the former court decision were not undue.

Civil Cases Involving Trademark Right

Determination that use of a word identical with or similar to another party's registered mark in selling goods consti-

tutes infringement

Act to use words identical with or similar to another party's registered mark in respect of identical or similar goods as the name or trade dress of the goods to misleads the public is an infringement of the exclusive right to use the registered mark. To market goods, use of a word identical with or similar to another party's registered trademark as the name of goods on a sales receipt or tip or on a price label or tag may be found infringing the exclusive right to use the registered trademark if it is found misleading the relevant sector of the public upon consideration of all the factors.

In Alfred Dunhill (Dunhill) v. Beijing Tianlan Aolai Trading Co., Ltd. (Tianlan Aolai)²², a case of dispute over infringement of the exclusive right to use a registered trademark, Dunhill claimed that Tianlan Aolai used “登喜路” and “登喜露” (both pronounced as “deng xi lu” and being transliteration of “Dunhill” in Chinese) as the name of the goods of shirt on the sale receipt and price label when selling the goods, and the use infringed its exclusive right to use the registered trademark “Dunhill” and “登喜路”. The Beijing No. 1 Intermediate People's Court rejected Dunhill's claim, but made no decision in respect of Tianlan Aolai's use of the name of “登喜路” in respect of the goods on the sale receipt and “登喜露” on the price label.

The Beijing Higher People's Court concluded, upon hearing the case of appeal, that the sales receipt was something used in selling shirts, which, also garment, was identical with the goods, in class, in respect of which Dunhill's word mark “登喜路” was used, and the word used on the sales receipt was exactly the same as Dunhill's word mark, and, used with the word “Ibdengxilu” used on the shirts, was likely to mislead the public; hence such use infringed Dunhill's exclusive right to use the word mark “登喜路”. Besides, the price label was also used for selling shirts, which was identical with the goods, in class, in respect of which Dunhill's word mark “登喜路” was used, and the name of the goods was similar to the word of the registered trademark, and the word “Ibdengxilu” indicated on the shirts was likely to mislead the public; hence such use infringed Dunhill's exclusive right to use the word mark “登喜路”. Accordingly, the Beijing Higher People's Court made another decision to have found the use infringing. ■

(Written by Liu Xiaojun and proofread by Chen Jinchuan)

¹ See Beijing Higher People's Court's Administrative Judgment No.

Gaoxingzhongzi 384/2011 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 3592/2010.

² See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 409/2011 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 2198/2010.

³ See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 824/2011 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 3298/2009.

⁴ See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 458/2011 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 2031/2010.

⁵ See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 1068/2010 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 114/2010.

⁶ See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 1389/2010 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 1778/2010.

⁷ See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 395/2011 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 3211/2010.

⁸ See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 1418/2011 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 1293/2011.

⁹ See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 1170/2010 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 470/2010.

¹⁰ See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 724/2011 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 2783/2010.

¹¹ See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 723/2011 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 534/2010.

¹² See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 346/2011 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 474/2010.

¹³ See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 311/2011 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 1004/2010.

¹⁴ See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 841/2010 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 175/2010.

¹⁵ See Beijing Higher People's Court's Administrative Judgment Nos. Gaoxingzhongzi 1427, 1428, and 1432/2011 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment Nos. Yizhongzhixingchuzi 1228, 1229 and 1230/2011.

¹⁶ See Beijing Higher People's Court's Administrative Judgment No.

Gaoxingzhongzi 550/2011 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 1863/2010.

¹⁷ See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 25/2011 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 2680/2010.

¹⁸ See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 1498/2010 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 2710/2010.

¹⁹ Article 17, paragraph two, of the Supreme People's Court's Opinions on Several Issues Relating to Administrative Cases Involving Trademark Right Grant and Affirmation.

²⁰ See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 1518/2010 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 511/2010.

²¹ See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 1414/2011 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 139/2011.

²² See Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 744/2011 and the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 13885/2010.