Understanding and Application of Article 28 of the Trademark Law:

Comments on the Case of "YMB" Trademark Opposition Reexamination

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Article 28 of the Chinese Trademark Law provides: "Where a trademark the registration of which has been applied for is not in conformity with the relevant provisions of this law, or it is identical with or similar to the trademark of another party that has, in respect of the same or similar goods, been registered or, after examination, preliminarily approved, the Trademark Office shall refuse the application and shall not publish the said trademark." Whether or not a trademark *per se* and the goods or services in respect of which said mark is used are similar is examined flexibly in each individual case. This article is to analyze and discuss the two points by way of comments on the case of reexamination of opposition raised to the trademark "**御木本**" (pronounced as "yu mu ben" in Chinese and corresponding to the "MIKIMOTO" mark). It is hereinafter referred to as the "YMB" mark or the opposed mark.

Brief of the case

K. Mikimoto & Co., Ltd. (hereinafter referred to as "Mikimoto") filed, with the Trademark Office of the State Administration for Industry and Commerce (hereinafter referred to as "Trademark Office"), an opposition to YMB mark (under No. 4188160 designating the goods "spectacles", etc. in class 9, and hereinafter referred to as "the opposed mark") applied for registration by a natural person by the name Wang Linde, claiming that the opposed mark and the cited marks "MIKIMOTO" which were registered by Mikimoto designating the goods in classes 14, 18 and 25, such as jewelry, handbag and shoes constituted similar trademarks in respect of identical or similar goods, and requiring the Trademark Office to refuse the application for registration of the opposed mark. In the phase of opposition, the grounds for the opposition were not supported by the Trademark Office. Mikimoto then filed a request, with the Trademark Review and Adjudication Board (hereinafter referred to as the "TRAB") of the State Administration for Industry and Commerce, for opposition reexamination also mainly pursuant to the provision of Article 28 of the Trademark Law. In the phase of the opposition reexamination, Mikimoto produced quite a lot of evidence showing its prior use of the cited marks MIKIMOTO and use of the MIKIMOTO trademarks together with its Chinese trademark "**御木本**".

御木本
MIKIMOTO

In the end, the TRAB adjudicated that the goods "spectacles", etc. in respect of which the opposed mark was used and the goods, such as jewelry, handbag and shoes, in respect of which the cited marks were used overlapped to a certain extent in terms of marketplace and consumers, and constituted similar goods. For this reason, the TRAB refused the application for registration of the opposed mark. Wang Linde did not sue in the court, and the TRAB's Adjudication has become officially effective.

Comments

1. Determination of similarity of goods

The Classification of Similar Goods and Services (the Classification for short) is an important document the Trademark Office, TRAB and courts refer to when adjudicating and hearing cases to find similarity of goods and services. In the process of trademark examination and adjudication, the Trademark Office and TRAB, in principle, decide on similarity of goods and services according the Classification, and they are very cautious in breaking through the standard of the Classification when deciding on similar goods and services.

Article 11 of the Supreme People's Court's Interpretation of Several Issues Relating to Application of Law to Adjudica-

tion of Cases of Civil Disputes over Trademarks (No. Fashi 32/2002) provides: "The similar goods under Article 52 (1) of the Trademark Law shall refer to goods identical in function, use, manufacturer, channel of commerce and target consumers or goods that the relevant sector of the public generally think are related in a particular way to and is likely to cause confusion with some other goods. The similar service shall refer to service identical in purpose, content, mode or target consumers or service that the relevant sector of the public generally think is related in a particular way to and is likely to cause confusion with some other service. By the similarity of goods and service is meant that the goods and the service are related in a particular way, and are likely to cause confusion on the part of the relevant sector of the public."

The Supreme People's Court elaborated the determination of similar goods, in Hangzhou Woodpecker Shoes Industry Co., Ltd. v. TRAB and Qihao (Group) Co., Ltd., an administrative case of trademark dispute, and explicitly set forth the principle for determination of similar goods on a case-by-case basis. The Supreme People's Court held the view that to avoid confusion of the source of goods was the basic principle that should be adhered to in determination of similar goods. If a similar trademark was used in respect of goods related in a certain way, and likely to cause the relevant sector of the public to think the two goods were supplied by the same supplier or there was a certain particular connection between the suppliers thereof, the two goods should be determined as similar goods.[1] The determination standard does not require to compare the physical property of goods, but to mainly consider whether the use of the coexistent trademarks would cause confusion about the sources of the goods. While some related goods were not defined as similar goods in the Classification, they should also be determined on a case-by-case basis. So long as it was sufficient to cause confusion about the source of goods on the part of the relevant sector of the public, the goods were found similar in the meaning of the Trademark Law.

In the present case, the TRAB, breaking through the standard for determining similar goods and services set forth in the Classification, took account of the practical market situation, such as the need for development of diversified modern business activities, spread of the businesses in different fields and trades of so many famous companies and the arrangement of marketing goods of spectacles, clothes, handbags and valuable metal ornaments in respect of which both parties' trademarks were approved to be used in the same market or in the same region, a mode of business having been accepted by consumers, so adjudicated that (spectacles in class 9) in respect of which the opposed mark was used and the goods (of jewelry, handbag and shoes in classes 14, 18 and 25) in respect of which the cited marks were used overlapped to a certain extent in terms of marketplace and target consumers, and constituted similar goods in the meaning of the Trademark Law.

To date, the phenomenon of circumventing law is quite common. That is, some applicants proactively file applications for registration of trademarks identical with or similar to others' well-known trademarks to be used in respect of goods which are not similar to the other parties' goods under the Classification, but, in real life, related to these goods to a certain extent for the purpose of leaning on or taking a ride with famous brands to market their own goods. For the writers, the grounds on which the case was adjudicated and the factors considered in the case are of positive significance to the issue of determining the similarity of related goods in other cases. The TRAB's breaking-through of the standard set forth in the Classification and determination of the similar goods and services according to the market situation would cut down, to a certain extent, the trademark applications for registration for the purpose of leaning on famous brands.

2. Determination of trademark similarity

There are various standards for determining similarity of trademarks. If the definition in terms of form is used, trademark similarity refers to similarity of words and/or devices *per se* of trademarks; if the definition in terms of substance is used, trademark similarity refers to confusing similarity.

The similarity of words and/or devices *per se* of trademarks is clarified in the Trademark Examination and Adjudication Standards jointly issued by the Trademark Office and TRAB. In the Trademark Law, only Article 13 thereof sets forth the provisions on the similarity between well-known trademarks and translations of marks. The present case is particularly related to this provision: firstly, the two marks are in two different languages, one in Chinese, and the other in English (Japanese in Roman letters, speaking in a strict sense); and secondly, the two marks do not solely correspond to each other in the sense of dictionary. Specifically speaking, in Japanese, the pronunciation of "**御木本**" corresponds to the Roman letters MIKIMOTO; while the letters MIKIMOTO do not solely correspond the characters "**御木本**". Generally in cases like this, if the cited marks are not

determined as well-known marks, it is impossible to reject a mark like the one under opposition. In the present case, however, the TRAB, applying the standard for determining confusing similarity, fully considered Mikimoto's evidence in relation to the cited marks and their prior use of the corresponding Chinese mark, and foresaw that approval of the registration of the opposed mark would, without any doubt, cause confusion about the sources of the goods among the consumers. The TRAB indirectly applied the possible confusion standard to find the trademark infringement, which conforms to the trademark law theory.

3. Repute of the cited marks is key to determination of similarity of goods and trademarks

Article 20 of the Supreme People's Court's Several Opinions on Several Issues Relating to Bringing into Play of the Function of IPR Adjudication to Promote Grant development of Socialist Culture and to Promote Coordinated Development of Economy (No. Fafa 18/2011) has clarified the relations between the repute of trademarks and determination of the similarity of goods in respect of which said mark is used: "Where a trademark the right of which is claimed has been put to use and had certain repute, similar goods shall be determined with full account taken of the relatedness between the goods. If based on their general knowledge of, and concept of trade in relation to the goods, the relevant sector of the public believe that the goods are related in a particular way. The goods may be viewed as similar depending on the circumstances in a case."

Quite a lot of evidence adduced in the present case may show that the cited marks "MIKIMOTO" had high repute and it was a well-known brand. The "YMB" trademark, as a Chinese trademark corresponding to the cited marks had been used together with the, and often taken as the Chinese name for Mikimoto's goods and the Mikimoto Corporation. Accordingly, they were trademarks of correspondence, pointing to Mikimoto's goods. With the cited trademarks of high repute, similar goods should be determined with account taken not only of the objective features, but also the general knowledge of and concept of trade in relation to the goods on the part of the relevant sector of the public. As businesses diversify goods in their trade to date, it is quite common and known to consumers for one company to deal simultaneously in spectacles, jewelry, handbags and shoes, to mention just a few. Therefore, the repute of a cited mark generated from their actual use may duly extend to such a degree as to be considered in the determination of similarity of goods in respect of which said cited mark is used.

In conclusion, the decision made in the case has fully considered the practical situation of the market. Not being subjected to the standard of determination under the existing Classification, the case has developed a relatively new line of thinking in understanding the factors to be considered and in following the standard for determining similar goods and trademark. Meanwhile, the case has set up an excellent benchmark or example for the protection of legitimate rights of right holders, and cracking down on acts of registration of trademark in bad faith. ■

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[1] See the Supreme People's Court's Notification of Refusal of Request for Re-trial No. Zhixingzi 37/2011.