

# A Comprehensive Analysis of Adjudication of Trademark Administrative Cases by Beijing No. 1 Intermediate People's Court

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Regarding adjudication of trademark administrative cases, this writer wrote two articles presenting an overview on the relevant issues encountered in trademark administrative cases respectively in 2010 and 2013<sup>1</sup>, and this article follows and supplements these two articles, with focus placed on the court's current practices in adjudication of trademark administrative cases. Whether some of these practices are due requires further discussion.

## I. Determination of trademark similarity

Determination of trademark similarity is one of the fundamental issues of the Trademark Law, and application of Articles 13, 15, 28, 29 and 31 all involves it. Given that this writer elaborated on some of the basic determination rules in this regard in the article written in 2010, this article will be presenting an analysis of issues not mentioned in that article.

### 1. Effect of "meaning" of trademark on trademark similarity determination

There are three elements of trademarks: pronunciation, shape and meaning. In practice, trademarks similar in pronunciation or shape are usually found similar trademarks, but views are divided as to whether trademarks identical in meaning are naturally similar trademarks under some circumstances. This is especially the case with similarity determination of Chinese and foreign trademarks identical in meaning.

In some cases, if a trademark in suit and recited trademark are identical in meaning, the court would find them similar.

For example, in the case involving the "TOTALLY"

trademark, the court concluded that the trademark applied for registration meant "fully or completely", and the notable part of the recited trademark "wan quan ying xiao" (meaning "full marketing" in Chinese) was "totally", so the two trademarks were identical in meaning, and the relevant sector of the public would confuse the two due to the identical meaning of the two.<sup>2</sup> Besides, the court also found "loft" and "ge lou" (meaning "loft")<sup>3</sup> and "LULU xiong (meaning "bear")" and "BEAR"<sup>4</sup> similar for the same reason.

In these cases, the court found the trademarks identical in meaning mainly out of the consideration that there are three elements of trademarks: pronunciation, shape and meaning, and in the course of comparison for trademark similarity, all identical or similar factors have effect on determination of trademark similarity; hence trademarks identical in pronunciation and shape are found similar if they are identical in meaning as well.

But, in some other cases, the court's practice is just opposite.

For example, in the case involving "FINE HORSE and device" trademark, the recited trademark was "hao ma (meaning "fine horse" in Chinese) and device" mark, the court took the view that while "hao ma" was a translation of the trademark applied for registration "FINE HORSE", the relevant sector of the public would not naturally match "FINE HORSE" with "hao ma", nor understand the former from the perspective of its meaning, hence the trademark applied for registration and recited trademark were not similar.<sup>5</sup> Besides, the court did not find "pacers" and "bu xing zhe" (meaning "pedestrian")<sup>6</sup>, "MARINERS and device" and "shui shou" (meaning "sailor")<sup>7</sup>, "AZIMUTH WATCH CO." and "fang

wei” (meaning “position” in Chinese)<sup>8</sup>, and “櫻花 SAKUFRA and device” and “さくら”<sup>9</sup> similar trademarks.

In these cases, the court followed the practice mainly out of the consideration of two factors: the natural law and ability of the relevant sector of the public to understand these trademarks.

While there are three elements of trademarks: pronunciation, shape and meaning, the relevant sector of the public usually understand a trademark by watching or hearing it, but seldom by memorizing its meaning. Therefore, pronunciation and shape have larger effect on trademark similarity determination, and meaning has its effect only under some special circumstances. In other words, trademarks identical in meaning does not mean that they are similar trademarks, and those dissimilar in meaning does not mean that they are not similar. Take “MISS ME” and “MISS·MR”<sup>10</sup>, though different in meaning, were found similar as they were relatively similar in shape. This rule is especially important to Chinese and foreign trademarks. The relevant sector of the public would understand a foreign trademark by watching or hearing it, not by memorising the translation thereof and then comparing the two trademarks. Therefore, it is difficult for the relevant sector of the public to confuse some Chinese and foreign trademarks different in sign and sound even if they are fully identical in meaning. Besides, naturally determining two trademarks as similar only because they are identical in meaning will mean that trademarks of different devices indicating the same thing naturally constitute similar trademarks, which is obviously what is denied in the current judicial practice.

To take a step back, even if the meaning of a Chinese or foreign trademark is considered, consideration should be taken on the basis of the relevant sector of the public’s ability to understand the meaning thereof. It is obviously impossible to find similar a trademark in suit and a recited trademark for the Chinese relevant sector of the public cannot generally understand the foreign language. For this reason, consideration of the factor of meaning in finding trademark similarity should be limited to the foreign language unknown to the Chinese relevant sector of the public.

## 2. Effect of characteristics of goods or services on determination of trademark similarity

The key to trademark similarity determination is likelihood of confusion, and determination of likelihood of confusion is affected by many factors. Beside the extent of similarity of the word or device of a mark, the characteristic of

goods or services is one of the important factors, which is mainly shown in the following circumstances:

1) Size of words/devices of trademarks used in respect of such goods or services

For example, in the case involving “lang qing” (transliteration of “longine”) mark, the trademark in suit and the recited trademark were both used in respect of goods of watches. While the two marks were somewhat different as shown in Fig.1, the court found them similar.<sup>11</sup>



Fig.1: The trademark in suit

The recited trademark

The court made the determination by considering, to a large extent, the characteristic of the small size of the goods in respect of which the trademark in suit was used. As a watch *per se* was small in size, a trademark used on it was naturally small. Hence, even if the trademark documentation showed that the two trademarks were somewhat different, consumers found it difficult to notice the difference when the proportionally small words/devices were used on the surface of watches, so confusion was relatively easy to be caused. It could be imagined, however, that if the two trademarks had been used on goods of larger size, things would be different, and the relevant sector of the public would find it easier to notice their difference, and confusion would be unlikely.

2) Whether relevant sector of the public of goods or services of the kind would purchase goods based on brand of trademark

While a mark is used to distinguish one provider of some goods or services from another, the mark is not the only indication one refers to, nor an important distinguishing one. This is especially true with the banking services. For example, banks all have their registered marks, but consumers choose banking service according to the enterprise name of a bank, and seldom consider their marks, or even have no impression on them. They are unlikely to make a mistake in choosing banks as a result of too similar trademarks. In some cases (including some civil infringement cases), the court considers this factor in finding likelihood of confusion.

For example, in the case involving “xiao ju ren” (meaning “little giant” in Chinese) mark, the plaintiff, Juren Investment Co., Ltd., alleged that the “xiao ju ren” mark used by the defendant, the Beijing Bank, constituted an infringement

of its exclusive right to use the registered trademark of “ju ren” used in respect of banking services. The court concluded that unlike other goods or services, there exist more sufficient communication and more detailed knowledge between a provider and a recipient of banking services, and the information about the qualification, business position and policy of the provider is important for the relevant sector of the public to consider to choose a banking service. Accordingly, the court found no likelihood of confusion and the marks dissimilar<sup>12</sup>. The second-instance court affirmed it.<sup>13</sup>

Of course, the above consideration, in principle, applies only to a case where a trademark in suit and recited trademark are similar. If the two are identical, the court generally would not find them unlikely to cause confusion, or it would mean that marks in respect of goods or services of the kind would be of no substantive significance.

3) Whether relevant sector of the public of goods or services of the kind would pay much attention

Attention the relevant sector of the public would pay in their purchase has direct effect on the determination of likelihood of confusion. As they would pay much attention to goods or services of high prices, they are unlikely to confuse such goods or services or buy them even if the marks are similar. By contrast, two identical marks used in respect of goods, such as clothing, which draw average attention are likely to be confusing, and would be found similar.

For example, in *Toyota v. Geely*, a case of infringement of exclusive right to use a registered trademark, the plaintiff, Toyota alleged that the trademark Geely used in respect of the automobiles it made and marketed infringed its exclusive right to use its registered trademark. In the case, while the two trademarks were comparatively similar, the court concluded that automobiles were goods of high price, and the relevant sector of the public were relatively more able to distinguish them, so they were unlikely to confuse them; hence the defendant's use was not found infringing.<sup>14</sup>

It should be noted that the effect of this factor is more embodied in cases involving dispute over trademarks and trademark infringement, and it is seldom considered in trademark rejection or opposition reexamination cases.

For example, in the opposition reexamination case involving the “OCEANIS” mark, while the trademark applied for registration was to be used in respect of goods of steamboats, which were of high prices, and the court noticed this factor in hearing of the case by the panel, the court found, in the end, the trademark applied for registration was similar to

the recited trademark “OCEANIA and device” mark, and did not approve the former for registration.<sup>15</sup> Likewise, in the case involving “cai fu zhong xin” (meaning “wealth centre” in Chinese) mark, the relevant sector of the public would pay much attention to building services, but the court still found “cai fu zhong xing” and “cai fu” similar in respect of building services.<sup>16</sup>

The court seldom considers the factor in trademark rejection or opposition reexamination cases for these reasons: while the characteristics of this type of goods or services usually would be unlikely to confuse the relevant sector of the public even if they are relatively similar, in case of trademark similarity, it takes some time for the relevant sector of the public to set them apart. The court finds it necessary to avoid such circumstance from arising before actual use of such trademarks and there is no waste of the relevant social resources. As a trademark pending in the refusal reexamination procedure or the opposition reexamination procedure, in theory, is yet to enter the channel of commerce, it is possible to follow a relatively more stringent standard with more consideration taken of the degree of similarity of the word or device of a trademark *per se* to prevent said circumstance from arising as much as possible. By contrast, for such a trademark in the post-grant procedure (namely trademark dispute procedure), less stringent standards may be followed to save on the social resources in such cases as a trademark approved for registration would be reasonably believed to be used in the market. Trademarks are not found similar so long as confusion is unlikely. Likewise, this principle is observed in trademark infringement cases.

### 3. Effect of trademark registrants' bad faith on trademark similarity determination

Determination of trademark similarity is usually made by the objective-effect standard, namely whether use of two trademarks in respect of identical or similar goods is likely to confuse the relevant sector of the public. If confusion is likely objectively, it is impossible for a later trademark to be registered no matter whether the later trademark registrant acts subjectively in bad faith to take a ride with a former or earlier mark.

For example, in the case involving the “HG” mark, while the applicant of the trademark in suit had registered another trademark before the recited trademark was registered, and said prior trademark and the trademark in suit were substantially identical, that is, the trademark applicant obviously had no bad faith to take a ride, the court found the trademark in

suit similar to the recited trademark, and disallowed its registration.<sup>17</sup>



Fig.2 The prior trademark The recited trademark The trademark in suit

In practice, however, it is not the case that a trademark applicant's subjective bad faith does not have any effect on trademark similarity determination. In some cases, while a trademark in suit and a recited trademark are similar to an extent, people draw different conclusions on the likelihood of confusion. Then, if the evidence available shows the involved trademark applicant's bad faith to take a ride, the court tends to find the trademark in suit similar.

For example, in the case involving “fei tian long (meaning “dragon flying in the sky” in Chinese) mark, while the trademark in suit, the “fei tian long and device” mark and the Maotai Corporation's recited trademark “fei tian (meaning “flying in the key”) brand and device” mark were somewhat different, the device of the former was an exact copy of the recited trademark 2 Maotai Corporation used earlier, but had registered later, which was a fact sufficient to enable the court to find the involved trademark applicant's bad faith to take a ride, so the court decided that the two trademarks were similar.<sup>18</sup>



The trademark in suit The recited trademark 1 The recited trademark 2  
Fig. 3

For another example, in the case involving the trademark “ge li sen” (a Chinese transliteration of “gleason”), the court found it similar to the recited trademark “GLEASON”<sup>19</sup>. In the case involving the trademark “STLB”, the court found the trademark in suit “STLB” similar to the recited trademark “si te lao bo”<sup>20</sup>. In the case involving the “ping feng” (meaning “screen” in Chinese) mark, the court found the pattern of trademark in suit also similar to that of the recited trademark though the two were somewhat different<sup>21</sup>. In all these cases, the court considered the factor of bad faith on the part of

trademark applicants.

The court considered this factor in these cases mainly for these reasons. The ultimate purpose of examination as to trademark similarity in the trademark registration phase is to avoid, as much as possible, confusion from arising in actual use of trademarks. If a trademark applicant's bad faith to take a ride with a prior mark is clearly seen in the registration phase, the applicant, in its or his real use, would be likely to use the trademark in a manner similar to that of a recited trademark for the relevant sector of the public to confuse as much as possible the applicant with the recited trademark owner. To avoid confusion in actual use as much as possible, prohibiting use of the trademark in trademark registration phase is a reasonable and procedure-effective practice.

However, this practice is not widely accepted in practice, and involved trademarks are not found confusingly similar based on this factor in some cases.

For example, in the case involving the R-STONE mark, the opposed trademark applicant and the owner of the recited trademarks were both manufacturers of rubber products. While the opposed trademarks were somewhat different from each recited trademark if compared separately, it might be seen that it was similar, to an extent, to each recited trademark as filed by the plaintiff. In this case, it seemed presumable that the applicant of the opposed trademarks intended to take a ride with the recited trademarks. But the court did not consider this factor, and did not find them similar to all the recited trademarks.<sup>22</sup>



Fig.4: The recited trademarks The opposed trademarks

#### 4. Effect of whether registration of trademark in suit is “justifiable” on trademark similarity determination

In some cases, interested parties have no opposition to the identicalness or similarity of the trademark in dispute and recited trademark, but they claim that their registration and use of the former are justifiable, so the trademark is registrable.

There are mainly two categories of justifiable reasons. (i) Claiming that registration of a trademark in dispute is an ex-

tended registration of its prior registered trademark. Take for example the case involving the “HG” mark, the trademark applicant claimed that registration of the trademark in dispute was an extended registration of its prior registered trademark; and (ii) claiming that one enjoys the corresponding prior rights and interests in the word or device of a trademark in dispute. Take for example the case involving the “阿克苏诺贝尔”(pronounced as “a ke su nuo bei er” in Chinese) mark, the plaintiff claimed the trademark filed for registration because the creator of the Nobel prize was the creator of the company.<sup>23</sup> Also in the case involving “NCPC” mark, the plaintiff, the North China Power Corporation of the China Power Engineering Consultation Group, claimed that “NCPC” was the abbreviation of its enterprise name.<sup>24</sup>

In the above cases, the courts did not find the trademark in disputes registrable due to the trademark applicants’ justifications, but considered somewhat different factors of the two categories of justifications.

Regarding extended registration of prior trademarks, the court mainly considers these factors: if the extended registration is believed to be posed against the trademark similarity determination, the implied precondition is that the registration of a “prior trademark” complies with the Trademark Law. However, since in a case involving the registrability of a trademark in dispute, it is objectively impossible to determine the registrability of the “prior trademark” (including whether it is identical or similar to another party’s prior trademark and whether it is prejudicial to another party’s prior right), it is obviously impossible to find the trademark in dispute registrable on the ground that registration of a trademark in dispute is an extended registration of the prior trademark.

As for the prior rights and interests, the court mainly considered these factors: since different rights or interests are obtained under different laws, they have varied scope and angle of protection (e.g. the Copyright Law mainly protects original works, the Patent Law technical solutions having novelty and inventive step, and the right of name the name against use of it by a trademark registrant for illicit purposes, to mention just a few). For this reason, that a relevant word or device can be protected under other laws does not mean that it is naturally protected by the Trademark Law. Correspondingly, the Trademark Law would not reserve a word or device for one to register it as a trademark, either, otherwise allowing it to be registered as a trademark so long as it has the relevant prior right without considering the likelihood of confusion will mean that the fundamental aim of the

Trademark Law to prevent likelihood of confusion on the part of the relevant sector of the public would be something existing only in name.

#### 5. Effect of “circumstance of real use” of trademarks on trademark similarity determination

Here the circumstance of real use does not refer to repute a trademark has acquired because of use, but mainly points to the specific way a trademark is put to use, target consumers and channel of commerce. In some cases, interested parties would argue that the trademark in dispute and recited trademark are unlikely to confuse the relevant sector of the public since they are used under varied circumstances.

For example, in the case involving the “long hu shan” (meaning “dragon-tiger hill” in Chinese) trademark, the trademark in dispute and the recited trademark “long hu (meaning “dragon tiger” in Chinese) were both used in respect of pharmaceuticals. The plaintiff argued that since the trademark in dispute was actually used in respect of prescribed pharmaceuticals sold to hospitals, and the recited trademark was actually used in respect of non-prescribed (OTC) pharmaceuticals sold to average consumers, confusion between the two trademarks was unlikely.<sup>25</sup>

For example, in the case involving the “TIANXIAN and device” mark, the plaintiff, Guizhou Tianxian Liquor Industry Co., Ltd., argued that the trademark in dispute differed from the two recited trademarks of the China Guizhou Maotai Liquor Plant (Group) Co., Ltd. in channel of commerce and outer package, it was unlikely to confuse the relevant sector of the public, and should be approved for registration.<sup>26</sup>

The above interested parties’ arguments are usually rejected by the court on the ground that it was impossible to consider the real use of a trademark during the trademark right grant or affirmation procedure. The court follows this practice mainly out of the consideration that the trademark right grant or affirmation procedure was to address the issue of registrability of a trademark, not one of use of a trademark in dispute after registration. Once registered, a trademark in dispute, in principle, could be used in any way in all parts of China. Therefore, allowing it to be registered as its “present” use was unlikely to confuse the relevant sector of the public would make it unavoidable for the trademark registrant to use the mark in other ways or in other channel of commerce to confuse the relevant sector of the public, which is obviously a result prohibited under the law provisions on trademark similarity.

## 6. Effect of “regional factor” on trademark similarity determination

While a mark becomes one valid in all parts of China upon registration, in principle, the likelihood of confusion should be considered by taking account of the territorial scope of China, it is undeniable that only a small part of the large number of registered trademarks are used, and most of the trademarks now in use are used by their registrants in their local areas or regions. Given this fact, in some cases, if two registrants are based in the same region, the court mainly decides on likelihood of confusion by considering the knowledge of the relevant sector of the public in that region, particularly if the knowledge of the relevant sector of the public in the region differs from that of those in other regions. This court practice means that if the relevant sector of the public in the region of registration or its adjacent regions confuse two trademarks, it is possible to find them similar even if confusion is unlikely in other regions.

For example, in the case involving the “luo bin wang” mark, the court found the mark in suit, “luo bin wang” mark, and recited trademark “bin wang” mark, similar mainly by considering the factor that the registrants of the two marks were based in Yiwu, Zhejiang Province, China. As “luo bin wang” was also called “bin wang”, confusion was very much likely there.<sup>27</sup>

For another example, in the case involving the “yi ya qiu lin” mark, the court also considered the repute of the recited “qiu lin and device” trademark in the region of Northeast China, and that the registrant of the two marks were both based in Harbin City, so found the two trademarks similar.<sup>28</sup>

## II. Determination of similarity of goods or services

Like determination of trademark similarity, determination of similarity of goods or services not only invokes Articles 28 and 29 of the Trademark Law, but also is an element of determination made under Articles 13, 15 and 31 of the Trademark Law.

Under Article 11 of the Supreme People’s Court’s Interpretation of Several Issues Relation to Application of Law to Adjudication of Cases of Civil Disputes over Trademark<sup>29</sup>, determination of similarity of goods or services should be made by the standard of likelihood of confusion, but it is substantially impossible for two goods *per se* to be confused and the confusion is between providers of the goods or ser-

vices. Specifically, if two identical trademarks are used in respect of different goods or services, the relevant sector of the public would confuse the providers thereof, the goods or services should be found similar. This matter was discussed in great detail in the overview published in 2010, and is not to be elaborated here.

In recent years, more detailed rules of the above principle are followed in trademark administrative cases.

### 1. Effect of “degree of similarity” of trademarks on determination of similar goods or services

Likelihood of confusion mainly depends on the knowledge of the relevant sector of the public, so the law of getting to know about a mark by the relevant sector of the public has substantial effect on determination of the issue. Since the degree of similarity of a mark has substantial effect on the knowledge of the relevant sector of the public, the more similar two marks are, more possible for the relevant sector of the public to believe that the relevant goods come from the same provider thereof, or vice versa.

For example, in the case involving the “Valvoline” mark, the opposed trademark was exactly identical with recited trademarks 1 and 2. Given this, the court, not limited to the similar group of goods, duly broadened the scope of the similar goods of the recited trademarks, and concluded that the goods, such as vehicle-used engine oil filter, in respect of which the opposed trademark was used were similar to goods of lubricant oil and generator oil in respect of which the recited trademarks were used.<sup>30</sup>



The opposed trademark Recited trademark 1 Recited trademark 2  
Fig.5

### 2. Effect of trademark registrant’s bad faith on determination of similar goods or services

Based on the same reason for trademark similarity determination, in determining the similarity of goods or services in some cases is also considered registrants’ bad faith. If fact is sufficient to determine a registrant’s bad faith to take a ride, the court is likely to broaden the scope of similar goods or services to a reasonable extent.

The most important factor in determining that a trademark applicant acts in bad faith is the presence of trademark plagiarism. While it is possibly coincident for two trademarks to be identical or similar (e.g. a recited trademark consists of a currently used word), if the recited trademark is one of a



coined word or device and a trademark in dispute is still identical with or very much similar to it, the applicant of the latter is usually found acting in bad faith by plagiarism and by taking a ride unless the applicant had evidence or made reasonable explanation to the contrary.

For example, in the case involving the “fu an na” trademark, the trademark in dispute was substantially identical with the recited trademark. Where the recited trademark “fu an na” is not a current word in Chinese and the applicant of the trademark in dispute failed to make reasonable explanation, the court found the relevant goods similar in spite of the fact that the goods, such as “automobile mattress, door mattress, and bathroom mat”, in respect of which the trademark in dispute was to be used and the goods of “quilt cover and bed cover” in respect of which the recited trademark was used were not goods of the same class group.<sup>31</sup> This is also true with the above case involving the “Valvoline” mark.

There is a view in practice that the system for registration of trademarks is not put in place to prohibit plagiarism, and registration in respect of dissimilar goods or services is not contrary to the Trademark Law. Therefore it should not be concluded that any plagiarism is done in bad faith. Regarding this, this writer believes that it is true that the Trademark Law does not prohibit use of identical or similar marks in respect of dissimilar or similar goods or services, but this system does not mean that it holds a positive attitude toward trademark plagiarism. In principle, the Trademark Law advocates identical or similar marks created by coincidence. Therefore, this system does not inhibit a relatively lax standard from being adopted in determination of similar goods or services out of consideration of the factor of bad faith.

Of course, in cases where this factor is considered, the effect of a trademark registrant’s bad faith should not be unduly broadened. In case of two goods of weak association, even if the involved trademarks are exactly alike, it is impossible to find the goods in respect of which they are used similar.

For example, in the case involving the “shi yun da SWIND and device”, the opposed trademark, while it was substantially identical with the two recited trademarks “shi yun da” and “SWIND”, it was possible, in the absence of reasonable explanation, to determine that the opposed trademark was a plagiarism of the two recited trademarks. But given that the goods, such as “antenna, telephone case and anti-theft alarm” in respect of which the opposed trademark was used were very much different from the goods,

such as “automatical retailer or vendor, automatical advertising machine, and glasses”, in respect of which the recited trademarks were used, the court still found the goods not similar.<sup>32</sup> For example, in the case involving the “ROYAL CANIN” mark, while the opposed trademark was exactly identical with the two recited trademarks in words and typeface as the goods, such as fodder, in respect of which the opposed mark was used were so different from the goods, such as toothbrush and cosmetic tools in respect of which the recited trademark was used, the court did not find the goods similar.<sup>33</sup>

### 3. Effect of “regional factor” on determination of similar goods or services

As mentioned above, trademark similarity determination involves consideration of regional factor. For the same reason, in determining similar goods or services under some circumstances, the region whether the owners of a trademark in dispute and recited trademark are based is also considered. That is, if two interested parties are based in the same region, the scope of similar goods or services is relatively wider.

For example, in the case involving the “jia jie shi” mark, the owners of the opposed trademark and the recited trademark were both based in Caitan Township, Caoan County, Guangdong Province. Consider this factor, the court found the goods, such as “towel frame and rings in respect of which the trademark in dispute was used similar to goods of metal fixed towel distributor in respect of which the recited trademark was used.<sup>34</sup> If the owners of the trademark in suit and the recited trademark were not based in the identical or similar region, it is not very much possible to find these goods similar.

### 4. Determination of similarity between sale (for other parties) service and other specific classes of goods or services

Sale (for other parties) service is a relatively special class of service. Since the Classification of Similar Goods or Services does not enlist the class of supermarket service, the most similar service class of a supermarket service business can choose is the sale (for other parties) service. As a supermarket generally sells a large variety of goods, interested parties in many cases argue that some particular goods are similar to the sale (for other parties) service constitute similar goods or services. The court does not indiscriminately accept this argument in its current judgments, and it, instead, makes different determinations depending on the circumstances of a case.

For example, in the case involving the “WATSON” mark, the court concluded that the goods of birdcage in respect of which the trademark in dispute was used was not similar to the sale (for other parties) service in respect of which the recited trademark “WATSON” was used.<sup>35</sup> But, in the case involving the “mei shi lin” mark, the court found the goods, such as “dumpline, steamed stuffed bun, and noodles” in respect of which the trademark in dispute was used similar to the sale (for other parties) service.<sup>36</sup>

The court made varied determinations in these cases mainly by considering the common business practice in the industry and the way of marketing by particular business. As for the case involving the “WATSON” mark, according to the current common business practice, supermarkets seldom sell birdcages. Even if they do, they seldom sell one of a particular business’ own brand, and the Watson had no evidence to show the presence of the circumstances, hence, even with the same trademark used in respect of said goods or services, the relevant sector of the public would not get confused. Any decision to the contrary would render the scope of the sale (for other parties) service too broad. Things in the case involving the “mei shi lin” mark, however, were different. Not only the goods of dumpling in respect of which the trademark in dispute was used were sold in supermarkets, but also the goods marketed by Meishilin Company were goods of its own brand. In case like this, considering that the provision on registration in bad faith of Article 31 of the Trademark Law, the applicant of trademark in dispute and Meishilin Corporation were both based in the same region, and the “mei shi lin” mark was highly reputable there, the court reasonably found the applicant of the trademark in dispute acted in bad faith, and said goods in respect of which the trademark in dispute was used similar to the sale (for other parties) service in respect of which the recited mark was used. Of course, it needs to be pointed out here that if the applicant of the trademark in dispute was not based in the region of the recited trademark or the provision on registration in bad faith of Article 31 of the Trademark Law was not applied in the case, it would be possible for a different conclusion to be drawn as to similarity of the goods.

In the above section, this writer has given an account of some factors considered in determining similar goods or services, and these factors are sometimes related (e.g. the degree of similarity of mark decides, to an extent, the determination of bad faith, and whether interested parties are based in the same region is likely to have effect on the deter-

mination of bad faith). Accordingly, in determination made in specific cases, conclusions on similar goods or services are drawn possibly by comprehensively considering these factors.

### III. Application of Article 13, Paragraph Two, of the Trademark Law

In cases to which Article 13, paragraph two, of the Trademark Law<sup>37</sup> applies, interested parties show greatest concern for whether a recited mark is well-known or not and to what extent it would cause the consequence of misleading the public, but they often disregard the matter that who makes the judgment thereof. However, being the precondition for ascertaining the above fact, determination of those from whose perspective the determination is made plays a vital role in application of the Article.

In application of Article 13, paragraph two, of the Trademark Law, determination of those from whose perspective the determination is made is stressed not because said Article applies not from the perspective of the relevant sector of the public, but because the cross-class protection of well-known marks under said Article would involve the relevant sector of the public of different classes of goods or services, which is exactly a point of obvious difference between said Article and other articles.

In some cases, the court clearly distinguishes different people from whose perspective a determination is made in application of said Article.

For example, in the case involving the Channel mark, the court pointed out that determination as to whether a recited mark constituted a well-known trademark should be made from the perspective of the relevant sector of the public using the goods in respect of which the recited mark was used (namely, users of the goods in the class of clothing or cosmetics); determination as to whether the consequence of misleading the public was caused should be made from the perspective of the relevant sector of the public who used the goods in respect of which the opposed mark was used (namely, users of the goods in the class of ceramic tile). Besides, such distinction was also made in some cases, such as that involving the “liang mian zhen” mark.<sup>38</sup>

The court distinguishes those from whose perspective a determination is made in its application of said Article because the provision involves ascertainment of two facts (namely, constitution of well-known mark and misleading of the public), and the ascertainment of the two facts would nat-



urally involve two different types of the relevant sector of the public. In ascertainment of the fact in respect of well-known trademark, since a well-known mark is a mark approved to be used in respect of some goods or service known to the public, those from whose perspective the fact is ascertained can only be the relevant sector of the public using the above-mentioned goods or service. For ascertainment of the fact of misleading the public, the public misled can only be the relevant sector of the public using the goods or service in respect of which the mark in dispute has been approved to use. For this reason, those from whose perspective the fact is ascertained can only be the relevant sector of the public using the goods or service in respect of which the mark in dispute has been approved to use.

The principle for determination of those from whose perspective the determination is made is of significance to the determination of the extent of protection of well-known marks. Different relevant sectors of the public have different knowledge of the repute of the same well-known mark. For this reason, even if a recited mark is well known in respect of some goods or service, the relevant sector of the public using goods or service in another class may not be able to recognize the fact of the well-knownness because they are not consumers of the goods in the class, so would not be misled.

The key to determination as to whether the relevant sector of the public using the mark in dispute are able to recognize the repute of a recited mark lies in whether there is an overlapping or much inter-crossing of the scope of two relevant sectors of the public. If no, it is generally very difficult for the consequence of misleading the public to occur.

For example, in the case involving the “tong wei” mark, the opposed mark was approved to be used in respect of goods of welding equipment in class 9, and the recited mark in respect of feed in class 31. As the comparison between the two marks shows, the relevant sectors of the public using the marks would extremely rarely overlap each other. In case like this, even if the reference mark was well known in respect of goods of feed, given that only a very small part of the relevant sector of the public using opposed mark knew the repute of the opposed mark, all or the majority of the relevant sector of the public would not recognize the repute of the opposed. For this reason, the relevant sector of the public using the opposed mark would not wrongly believe that the registration of the opposed mark was related to that of the recited mark, so no consequence of misleading the public would be caused.<sup>39</sup>

However, if the two sectors of the public overlap or inter-cross to a relatively large extent, the relevant sector of the public using the mark in dispute would be able to recognize the repute of the recited mark. As for whether the consequence of misleading the public would be caused, determination should be made according to the specific situation.

For example, in the case involving the “ping guo (meaning “apple” in Chinese) device” mark, the opposed mark was approved to be used in respect of goods of hair conditioner, and the recited in respect of goods of clothing, and the relevant sector of the public of the two classes of goods were substantially overlapped. The court, however, did not find that registration of the opposed mark would cause consequence of misleading the public. The court made an analysis from the two perspectives of cross-class confusion and dilution. On the one hand, the plaintiff did not produce evidence to prove the common practice that the clothing manufacturer also made hair conditioner; or the plaintiff had used the word or device identical with the recited mark in respect of hair conditioner, giving the relevant sector of the public the corresponding knowledge; nor did it produce any evidence sufficient to prove the presence of any other fact that the registration of opposed mark would cause cross-class confusion of the two recited marks. For this reason, it was impossible to determine that registration and use of the opposed trademark were apt to cause the relevant sector of the public to confuse it with the plaintiff’s two recited marks. On the other hand, the court concluded that the two marks, except being similar in meaning, were very much different in pronunciation and device as a whole. As the “apple” mark was one current in use, the relevant sector of the public using the opposed mark would not naturally associate the opposed mark with the recited marks, nor would the consequence of delusion be caused. Therefore, registration of the opposed mark was not contrary to Article 13, paragraph two, of the Trademark Law.<sup>40</sup> ■

(To be continued)

The author: Chief Judge of the IP Tribunal of the Beijing No. 1 Intermediate People’s Court

<sup>1</sup> Respectively published in the China Patents & Trademarks, 2010, issue 1, and 2013, issue 3.

<sup>2</sup> See the Beijing No. 1 Intermediate People’s Court’s Administrative Judgment No. Yizhongzhixingchuzi 1881/2010.

<sup>3</sup> See the Beijing No. 1 Intermediate People’s Court’s Administrative

Judgment No. Yizhongzhixingchuzi 156/2014.

<sup>4</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 3835/2013.

<sup>5</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 3213/2012.

<sup>6</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 2765/2012.

<sup>7</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 88/2011.

<sup>8</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 788/2011.

<sup>9</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 2133/2010.

<sup>10</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 3069/2012.

<sup>11</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 17/2008.

<sup>12</sup> See the Beijing No. 1 Intermediate People's Court's Civil Judgment No. Yizhongminchuzi 14455/2011.

<sup>13</sup> See the Beijing Higher People's Court's Civil Judgment No. Gaominzhongzi 1228/2012.

<sup>14</sup> See the Beijing No. 2 Intermediate People's Court's Civil Judgment No. Erzhongminchuzi 6286/2003.

<sup>15</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 268/2014.

<sup>16</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 2742/2013.

<sup>17</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 649/2011.

<sup>18</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 1735/2013.

<sup>19</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 2181/2013.

<sup>20</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 2123/2013.

<sup>21</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 2535/2013.

<sup>22</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 1280/2013.

<sup>23</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 266/2014.

<sup>24</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 445/2013.

<sup>25</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 1895/2013.

<sup>26</sup> See the Beijing No. 1 Intermediate People's Court's Administrative

Judgment No. Yizhongzhixingchuzi 3229/2013.

<sup>27</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 378/2008

<sup>28</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 681/2008.

<sup>29</sup> Article 11 of the Supreme People's Court's Interpretation of Several Issues Relating to Application of Law to Adjudication of Cases of Civil Disputes over Trademarks: 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 is related in a particular way to, and is likely to cause confusion with, another goods.

The similar services shall refer to services identical in objective, content, mode and target consumers, and services that are likely to cause confusion.

The similarity of goods and services means that the goods or services are related to one another in a particular manner, and are likely to cause confusion on the part of the relevant sector of the public.

<sup>30</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 2324/2013.

<sup>31</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 1084/2013.

<sup>32</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 666/2013/

<sup>33</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 1844/2013.

<sup>34</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 2869/2013.

<sup>35</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 3954.2013.

<sup>36</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 2055/2013/

<sup>37</sup> Article 13, paragraph two, of the Trademark Law: A trademark that is applied for registration in respect of non-identical or dissimilar goods shall not be registered and its use shall be prohibited, if it is a reproduction, imitation or a translation, of a well-known mark which is registered in China, misleads the public, and the interests of the registrant of the well-known mark are likely to be damaged by such use.

<sup>38</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 1858/2011.

<sup>39</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 2440/2012.

<sup>40</sup> See the Beijing No. 1 Intermediate People's Court's Administrative Judgment No. Yizhongzhixingchuzi 2290/ 2010.