

Latest Trend of Judicial Review of Administrative Cases Involving Trademark Grant and Invalidation in Beijing IP Court

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In accordance with the Provisions of the Supreme People's Court on the Jurisdiction over Cases of the Intellectual Property Courts in Beijing, Shanghai and Guangzhou, the Beijing Intellectual Property (IP) Court shall have jurisdiction over the first-instance administrative cases involving grant and invalidation of intellectual property rights including patents, trademarks, new plant varieties and integrated circuit layout designs and the like, which are initiated for vacating the rulings or decisions made by the administrative department of the State Council. The administrative cases involving trademark grant and invalidation refer to lawsuits instituted by the interested parties due to their dissatisfaction with such administrative actions as reexamination of rejected trademarks, unregistered trademarks, and cancelled trademarks, invalidation of trademarks, and reexamination of invalidated trademarks. Such cases are the main type of cases accepted by the Beijing IP Court.

Ever since its establishment, the Beijing IP Court has constantly strengthened the judicial review of administrative cases involving trademark grant and invalidation, clarified applicable legal standards, accumulated abundant experience in the trial of such cases, and experienced continuous improvement in trial quality, efficiency and judicial credibility. This article intends to systematically sort out issues in administrative cases involving trademark grant and invalidation heard by the Beijing IP Court in recent years, summarize some heatedly-debated and thorny issues, and extract trial experience and judging rules in such cases.

I. Overall situations of judicial review of administrative cases involving trademark grant and invalidation

With the constantly strengthened protection of intellectual property rights and enhanced brand awareness of market entities, the number of trademark applications and effective registrations in China is generally on the rise, and the number of cases involving trademark reexamination and adjudication and litigation continues to grow. Due to absolute advantages in number and proportion, the administrative cases involving trademark grant and invalidation stay in the top spot among various intellectual property disputes heard in the Beijing IP Court.

1. Basic situations

Fig. 1 illustrates the overall situations of administrative cases involving trademark grant and invalidation accepted and concluded by the Beijing IP Court from 2017 to 2021. Over the past five years, the number of such cases accepted and concluded by the Beijing IP Court has been generally rising. In comparison with the year of 2017, the number of cases accepted in 2021 increased by 115.4% and the number of cases concluded in 2021 increased by 163.0%, both of which reached a record high. On the one hand, the continuous increase in the number of accepted and concluded administrative cases involving trademark grant and invalidation reflects that Chinese market entities attach more importance to brand awareness and have realized that related administrative litigation is a crucial route to protect their own rights and interests. On the other hand, it shows that the ju-

dicial decisions timely respond to the trademark protection needs of market entities, and the judicature plays an indispensable role in the protection of intellectual property rights.

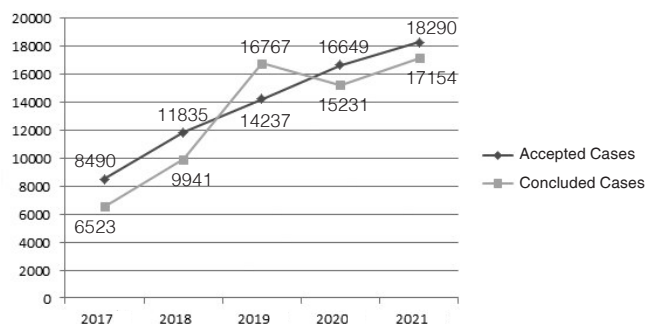


Fig. 1 The number of administrative cases involving trademark grant and invalidation accepted and concluded by the Beijing IP Court from 2017 to 2021

Fig. 2 illustrates the number of administrative cases involving trademark and patent grant and invalidation newly accepted by the Beijing IP Court in 2021. As the Beijing IP Court specializes in dealing with administrative cases involving IP grant and invalidation at first instance, administrative cases involving trademark and patent grant and invalidation accounted for 72.7% of 27,604 cases newly accepted in 2021, and are the major type of cases accepted by the Beijing IP Court, wherein administrative cases involving trademark grant and invalidation amounted to 18,290, making up two thirds of all the newly accepted cases.

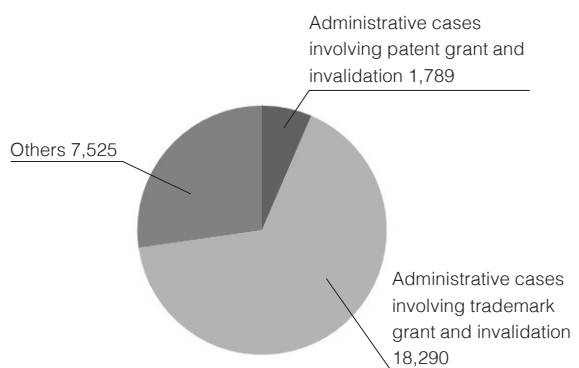


Fig. 2 The number of administrative cases involving trademark and patent grant and invalidation newly accepted by the Beijing IP Court in 2021

Fig. 3 illustrates the types of the administrative cases involving trademark grant and invalidation newly accepted by the Beijing IP Court in 2021, wherein cases involving reexamination of trademark refusal are the major type of administrative cases involving trademark grant and invalidation, and accounted for about 58.9% (10,773 cases accepted);

cases involving invalidation of trademarks made up about 28.2% (5,152 cases accepted); cases involving reexamination of trademark cancellation constituted about 10.7% (1,967 cases accepted); and other administrative cases involving trademark grant and invalidation occupied about 2.2% (398 cases accepted).

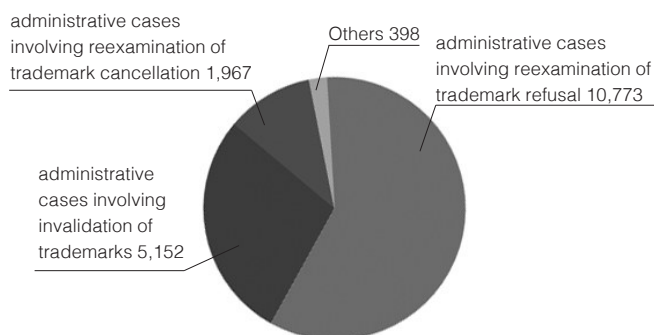


Fig. 3 Types of the administrative cases involving trademark grant and invalidation newly accepted by the Beijing IP Court in 2021

2. Major characteristics

Having systematically reviewed the overall situations of administrative cases involving trademark grant and invalidation accepted and concluded by the Beijing IP Court from 2017 to 2021, especially the latest trial of administrative cases involving trademark grant and invalidation in 2021, the author finds that such cases have the following major characteristics:

(1) Further unification of the administrative enforcement standards and judicial judgment standards

From 2017 to 2021, the revocation rates with respect to administrative rulings (including *clausula rebus sic stantibus*) in administrative cases involving trademark grant and invalidation accepted by the Beijing IP Court were 26.3%, 27.4%, 25.9%, 24.2%, and 23.4% respectively, which are substantially on the decline. However, in the recent five years, the number of concluded administrative cases involving trademark grant and invalidation has risen from 6,523 to 17,154, with an increase of 163.0%. In the case of sharp increase in the number of concluded cases and no significant change (slight decline instead) in the revocation rates with respect to administrative rulings, it means that the administrative and judicial authorities have reached a consensus on the application of major laws and further unified the administrative enforcement standards and judicial judgment standards, and adjudication results are relatively expectable on the part of the parties concerned.

(2) Strengthened crackdown on malicious trademark

registration

The rapid growth in the number of administrative cases involving trademark grant and invalidation shows that Chinese market entities have increased their awareness of trademark protection, and meanwhile the problem of malicious trademark registration exists and is unignorable. Malicious trademark registration violates the principle of good faith, which increases the cost of trademark applications borne by market entities, disturbs trademark registration administration order, and affects the normal functioning of the trademark system. In judicial practice, the Beijing IP Court has made continuous efforts to crack down on malicious trademark registration, and weave the network of laws regulating malicious trademark registration. For instance, when judging the likelihood of confusion caused by the squatting of others' well-known registered trademarks on identical or similar goods, we shall give comprehensive consideration to whether the applicants have the malicious intention to free ride. Where the free-riding intention is obvious, a broader standard shall be adopted when judging whether goods or trademarks are similar. In regard to the trademark squatting by agents, representatives or other particular interested parties, the criteria for identifying "particular relationship" shall be accurately understood to prevent the applicants from harming the interests of right holders through malicious collusion. As regards the squatting of others' previously used trademarks that have certain influence, the scope and standard of "certain influence" shall be reasonably determined, and attention shall be paid to whether the previous use of the unregistered trademark can influence the trademark squatter. If yes, it is generally determined that the previously used trademark has "certain influence".

(3) Further regulation of forgery of evidence of trademark use

In administrative cases involving reexamination of trademark cancellation, it is very common for trademark registrants to submit new evidence. Some trademark registrants even submit forged evidence to the court in order to maintain trademark registration. As for the forgery of evidence of trademark use in such cases, the Beijing IP Court has adopted five measures to detect and punish forgery: First is to require trademark registrants to submit all the original evidence of trademark use, and strengthen evidence review; second is to initiatively check the authenticity of the evidence on official websites such as the National Value-Added Tax Invoice Verification Platform under the State Tax-

ation Administration; third is to inform the trademark registrants of the consequences of evidence forgery, and order them to give a reasonable explanation for inaccuracies; fourth is to strictly carry out the evidence review criteria and cancel trademarks that have not been used for three consecutive years according to law; and fifth is to severely punish evidence forgery according to law. In recent years, the Beijing IP Court has punished the parties who submitted forged evidence in many cases.

(4) Equal protection of legitimate rights and interests of Chinese and foreign right holders

In 2021, the Beijing IP Court accepted 3,146 foreign-related administrative cases involving trademark grant and invalidation, accounting for 17.2% and increased by 836.3% over 2015. The increase in the number of foreign-related cases reflects that foreign entities have been attaching more importance to the Chinese market and setting higher requirements for judicial protection of intellectual property rights in the Chinese market, and China has strengthened its protection of intellectual property rights. During the case trial, the Beijing IP Court has always insisted on equal protection of legitimate rights and interests of Chinese and foreign right holders. It neither grants special treatment that overcomes law to foreign parties, nor provides special protection for Chinese parties in the name of protecting national interests. Over recent years, trademarks with high global reputation, such as "LAFITE", "TESLA" and "SANOFI", have been protected according to law.

(5) Remarkable achievements in judicial protection of time-honored brands

Time-honored brands embody the profound cultural heritage of the Chinese nation and are a precious wealth endowed by history. As the Chinese time-honored brands are increasingly aware of the importance of brand protection, disputes over intellectual property rights of those brands have risen year by year. Such cases are generally characterized by having controversial disputes, involving lots of laws and regulations, and attracting huge social attention. As of 31 December 2021, the Beijing IP Court had properly heard 468 intellectual property cases involving time-honored brands, such as Neiliansheng (a handmade shoes store), Rong Bao Zhai (a stationery, calligraphy and painting shop) and Niulanshan (a distillery). Among them, there were 373 administrative cases involving trademark grant and invalidation, accounting for 79.7%, and the success rate for right holders in winning administrative cases involv-

ing grant and invalidation of time-honored brands registered as trademarks is high up to 63.5%. The proper handling of such cases shows the concept of the Beijing IP Court of “respecting history, prohibiting confusion, abiding by the principle of good faith and balancing interests” for conferring intellectual property protection on time-honored brands, in such a way to resolve disputes timely through judicial adjudication, construct the time-honored brands and guarantee effective judicial protection of the time-honored brands.

II. Further innovation and improvement of working mechanism for administrative cases involving trademark grant and invalidation

With the continuous increase in the number of administrative cases involving trademark grant and invalidation, the Beijing IP Court insists on tapping into its potential and instituting reforms to improve efficiency as the focal work, makes constant efforts to innovate and improve its working mechanism, actively deals with new situations, new tasks and new challenges, takes multiple measures to bring current resources into full play, assists in steady quality and efficiency improvement of judicial trials of administrative cases involving trademark grant and invalidation, and provides powerful judicial services and safeguards for creating an international business environment ruled by law.

1. To improve the mechanism of separation of complex and simple administrative cases involving trademark grant and invalidation

According to the Opinions of the Supreme People's Court on Promoting the Reform of Separation of Complex and Simple Administrative Proceedings, ever since August 2021, the Beijing IP Court has made positive endeavors to separate complex proceedings for administrative cases involving trademark grant and invalidation from simple ones, and formulated after careful studies the Implementation Plan for Promoting the Reform of Separation of Complex and Simple Administrative Proceedings (Trial). The administrative cases involving trademark grant and invalidation with clear facts, definite rights and obligations, minor disputes, and mature judging rationale shall be tried as simple cases. Simple procedures and ordinary procedures shall be applied to the simple cases for the sake of quick trial, so as to

separate complex cases from simple ones and deal with simple cases under the fast-track scheme. The court trial of simple cases shall be simplified as appropriate, and the administrative and procedural workload of trial assistants be further reduced, in order to optimize the allocation of administrative trial resources.

2. To establish a pre-litigation resolution mechanism for administrative cases involving trademark grant and invalidation

According to the Opinions of the Supreme People's Court on Promoting the Reform of Separation of Complex and Simple Administrative Proceedings, in view of the facts of administrative cases involving trademark grant and invalidation, for a case in which mediation is permitted, a case in which a person subject to an administrative act requires settlement, or a case in which the handling by means of settlement is more conducive to the substantial resolution of an administrative dispute, the parties shall be guided to reach a settlement on their own or through the mediation by a third party. Persons with adequate professional knowledge and trial experience in administrative cases involving trademark grant and invalidation shall be employed as mediators to preside over and promote pre-litigation mediation. The litigation materials shall be served simultaneously. Where “the parties refuse to mediate or fail to reach a settlement agreement and the statutory case-filing conditions are met”, necessary preparations for the trial work shall be made timely, in a bid to improve the work efficiency and safeguard the legitimate rights and interests of the parties.

3. To promote the construction of a unified judging criteria system

In order to regulate the exercise of discretionary powers and promote the unification of adjudication standards, the Beijing IP Court has timely summarized and published the trial experience of similar cases to provide guidelines for properly handling of relevant cases by means of, e.g., on-site investigation on administrative cases involving trademark grant and invalidation, periodic reminders of issues noteworthy in case trials, briefings on case trials, conference of specialized judges, and timely publication of judicial documents. In 2021, the Beijing IP Court had drawn people's attention to and explained the issues occurring in case trials, such as the criteria for determining “trademark registration by deceptive means” and the use of the address for service in administrative proceedings for subsequent judicial proceedings. Briefings on the trial of cases in-

volving, e.g., reexamination of trademark refusal, in which trademarks are obtained by “deceptive” means, and review of trademark cancellations, in which punishments are imposed for evidence forgery, are held to communicate case trials and judicial review standards and publicize typical cases. Conferences of specialized judges are convened to conduct special discussions on frequently - occurred, prevailing and controversial issues in the trial of administrative cases involving trademark grant and invalidation, with the goal of promoting the standardized exercise of judicial power.

III. Judging rules for some hot and difficult issues in administrative cases involving trademark grant and invalidation

In order to clarify and unify the trial standards for administrative cases involving trademark grant and invalidation, the Supreme People’s Court issued the Provisions on Several Issues Concerning the Trial of Administrative Cases Involving Trademark Grant and Invalidation, and the Beijing High People’s Court promulgated the Guidelines for the Trial of Administrative Cases Involving Trademark Grant and Invalidation, which serve as a response to address some quite controversial issues in judicial practice and play a positive role in guiding the proper trial of such cases. Over recent years, some hot and difficult issues have emerged in judicial practice, which sets higher requirements for the unified application of law. This article intends to systematically sort out some quite controversial issues in administrative cases involving trademark grant and invalidation, and extract and summarize the following judging rules on the basis of judging essentials.

1. In the examination of the registration of foreign geographical indication collective trademark, the specific conditions of legal protection in its country of origin shall be considered.

In the light of Article 16.2 of the China’s Trademark Law, the geographic indication means a sign that indicates the region where the goods originate and the natural or human factors of which primarily decide the specific quality, reputation, or other features of the goods. Article 3.4 of the China’s Trademark Law stipulates that special matters concerning the registration and administration of collective

marks and certification marks shall be provided for by the administrative department for industry and commerce under the State Council. Therefore, examination shall be conducted on whether an application for a collective mark complies with the relevant provision of the Measures for the Registration and Administration of Collective Marks and Certification Marks (hereinafter referred to as the Measures). According to Article 6.1 of the Measures, any party applying for the registration of a geographical indication as a collective mark or a certification mark shall also furnish the approval documents issued by the government which has jurisdiction thereover, or by the competent authority of the industry. Article 6.2 of the Measures requires that any foreign person or enterprise applying for the registration of a geographical indication as a collective mark or a certification mark shall furnish documents certifying that the geographical indication in question, in his or its name, is under the legal protection in the country of origin. In view of various manifestations of documents in different countries, when judging whether the registration of foreign geographical indications as collective marks by foreign entities in China complies with the above provisions, we shall not make a hasty judgment but take specific situations into account.

In “MONTAGNE SAINT - EMILION” trademark case¹, the plaintiff, Conseil Interprofessionnel du Vin de Bordeaux (CIVB), applied to register the disputed trademark “MONTAGNE SAINT-EMILION” designated on wines under Class 33. The defendant, the China National Intellectual Property Administration (CNIPA), rejected the application for the disputed trademark on the grounds that the disputed trademark violated Article 16 of the China’s Trademark Law and the provisions of the Measures. Then, the plaintiff sued the defendant in the Beijing IP Court, requesting the court to vacate the related decision. After trial, the court held that the evidence submitted by the plaintiff can prove that the plaintiff is an industry organization as confirmed by decree of the French Ministry of Agriculture & Fisheries, which is allowed to take all necessary ways to improve the reputation of wines that are entitled to use the Bordeaux Appellation d’Origine Contrôlée (AOC, Appellation of Controlled Origin) and has the right to monitor the quality of the Bordeaux AOC wines after being put on the market; and meanwhile, the disputed trademark has obtained the AOC in France, that is to say, it is under the legal protection in the country of origin and under the administration and supervision of the plaintiff. Hence, the evidence can prove that the disputed

trademark has obtained the legal protection in the country of origin in the name of the plaintiff, and other evidence submitted by the plaintiff also complies with the relevant provisions of the Measures. To sum up, the court ruled to vacate the sued decision and ordered the defendant to make a new one.

2. Consideration shall be given to the historical origin of market entities in the judgment of trademark squatting

According to Article 32 of the China's Trademark Law, an applicant shall not apply to register, by an unfair means, a mark which has already been in use by other party and has certain influence. Where the prior user of the trademark asserts that a trademark applicant has preemptively registered, by an unfair means, the trademark that has been used by the prior user and has certain influence, if the prior used trademark has enjoyed certain influence and the trademark applicant knows or should have known the trademark, it is generally presumed that "preemptive trademark registration by an unfair means" occurs. However, in judicial practice, it is also necessary to take account of factors such as the respective development history of the two companies and the market landscape formed by the products they produce. If the trademark applicant adduces evidence proving that it did not use the goodwill of the prior used trademark in bad faith, it should not be determined that there is preemptive trademark registration.

In the "毛公酒 (which means Maogong Wine)" trademark case², the plaintiff submitted a request for invalidation on the grounds that the disputed trademark "毛公酒" constitutes preemptive registration of its prior used trademark. The defendant, the CNIPA, maintained the registration of the disputed trademark. The plaintiff sued the defendant in the Beijing IP Court, requesting the court to vacate the sued decision. After trial, the court ascertained that the third party's trademark "毛公酒" has been used since the 1990s and enjoyed certain goodwill, its application for the disputed trademark was to protect its previously accumulated goodwill under the trademark law, rather than free ride on the plaintiff's goodwill. From the historical perspective, the court carefully reviewed the evolution process of the plaintiff's and the third party's trademark, holding that regardless of whether the third party knew the maogong wine produced and sold by the plaintiff before the date of application for the disputed trademark, the third party's use and promotion of the trademark "毛公酒" has a long history, and the trademark "毛公酒" was used in good faith and

properly. The court finally determined that the registration of the trademark "毛公酒" did not constitute preemptive registration by unfair means and did not violate Article 32 of the China's Trademark Law, thereby deciding to reject the plaintiff's claims.

3. The cancellation of a registered trademark due to generalization is not premised on the subjective fault of the right holder

According to Article 49.2 of the China's Trademark Law, where a registered trademark becomes a generic name of goods on which it is approved to be used, any entity or individual may apply for cancellation of the registered trademark with the Trademark Office. The generalization of a registered trademark usually goes hand in hand with the unstandardized use of the mark by trademark owners or unauthorized use thereof by other operators. If the trademark owner uses the registered trademark as a product name, which gives rise to the generalization of the registered trademark due to the larger-scale use, it is for sure that the trademark owner shall bear the legal consequences of cancellation of the registered trademark. However, if the trademark owner takes initiatives in using the registered trademark properly, and the others' use of the registered trademark as a product name and factors on the part of the public eventually lead to the generalization of the registered trademark, there is a controversy as to whether the trademark owner shall bear the legal consequences of cancellation of the registered trademark.

Judging from the legislative purpose, the China's Trademark Law requires the cancellation of a registered trademark, which becomes a generic name of goods on which it is approved to be used, not because the trademark owner fails to effectively maintain the registered trademark, but because fundamentally the registered trademark cannot exert the function of distinguishing the source of goods that a trademark is expected to have, consumers' basic needs for brand shopping cannot be guaranteed, and the legitimate rights of other operators to use public logos freely may be hindered. Therefore, more attention shall be paid to whether the consequences of generalization occur, rather than the reasons for the formation of generalization and the efforts made by the trademark owner to prevent the generalization. The behaviour of the owner of the registered trademark will definitely affect the process and result of generalization. But once the consequences of generalization occur and the public generally believe that the registered

trademark refers to goods of the same class, the registered trademark should be cancelled irrespective of whether the owner of the registered trademark is subjectively faulty in the process of generalization.

In the “MOCCA and device” trademark case³, the disputed trademark “MOCCA and device” was approved for use on the goods, such as coffee, in Class 30. The plaintiff filed a request for trademark cancellation on the grounds that the disputed trademark is a generic name of goods on which it is approved to be used. The defendant, the CNIPA, decided to maintain the registration of the disputed trademark, for the reasons that the existing evidence does not suffice to prove that the disputed trademark has turned into a generic name after registration, and the third party has initiatively taken measures to safeguard the trademark right in order to enjoin others from using “mocca coffee” improperly. The plaintiff sued the defendant to the Beijing IP Court, requesting the court to vacate the sued decision. After trial, the court held that the system of losing out on the right of the registered trademark due to generalization is designed to draw people’s attention to whether the consequences of generalization are formed, rather than the reasons for the formation of generalization and the efforts paid by trademark owners in the process of preventing generalization. Therefore, it is more reasonable to not just consider the trademark owner’s personal reasons that give rise to generalization, and not take the trademark owner’s subjective fault in generalization as the premise of trademark cancellation. The evidence on file is sufficient to prove that the disputed trademark when used on coffee products as a whole cannot exert the function of identifying the source of goods which is inherent to a trademark. Hence, the disputed trademark should be cancelled. To sum up, the court decided to vacate the sued decision, and order the defendant to make a new one.

4. The geographical name of any administrative divisions at or above the county level or the foreign geographical name well-known to the public, which has other meanings different from the geographical names after long-term and wide use, does not violate Article 10.2 of the China’s Trademark Law

Article 10.2 of the China’s Trademark Law is a special provision on prohibition of registration of a geographical name as a trademark. The provision stipulates that “except that the geographical name has other meanings”. That is to say, if the geographical name has more than one meaning

and the trademark using the geographical name can objectively distinguish the source of goods and therefore exert the basic function of the trademark, the geographical name is allowed to be registered as a trademark. The term “other meanings” shall be understood as including the following circumstances: one is that the geographical name itself has other inherent meanings that are well-known to the relevant public, and the other is that the geographical name acquires “other meanings” through use. Article 10.2 of the China’s Trademark Law is a prohibitive provision that is generally understood as absolute grounds. Generally, the trademark application falling within Article 10.2 cannot be registrable through use. But if the geographical name can objectively function to identify the source of a specific product through long-term wide use, the prohibition of registration of the geographical name as a trademark seems to be not compliant with the tenet of the China’s Trademark Law.

In the “哈爾濱小麥王 (which means Harbin Wheat King)” trademark case⁴, the plaintiff applied for registration of the disputed trademark “哈爾濱小麥王” designated for use on such goods as beer and malt beer under Class 32. The defendant, the CNIPA, rejected the application for the disputed trademark on the grounds that the disputed trademark falls within the circumstances as prescribed by Article 10.2 of the China’s Trademark Law. Then, the plaintiff sued the defendant in the Beijing IP Court, requesting the court to vacate the sued decision. After trial, the court held that the evidence on file demonstrates that the trademark “哈爾濱” has gained a high reputation through long-term and wide use on beer products, as well as continuous and extensive publicity. When seeing the trademark “哈爾濱” on beer products, the relevant public can generally realize that it indicates the specific source of goods, rather than a geographical name. That is to say, the trademark “哈爾濱” has acquired other meanings when used on beer products. Although the designated use of “小麥王 (which means Wheat King)” on beer products is less distinctive, since the trademark “哈爾濱” designated for use on beer products has a distinctive feature that distinguishes the source of goods, the disputed trademark as a whole is easily recognized by the relevant public as one of the serial products of beer products under the trademark “哈爾濱”, has a strong connection with the plaintiff, and can objectively identify the source of goods, which does not violate Article 10.2 of the China’s Trademark Law. Hence, the court decided to vacate the sued decision, and order the defendant to make a

new one.

5. Co-existence agreement is not a sufficient condition for excluding a likelihood of confusion

A co-existence agreement is an agreement, issued by the owner of a prior trademark, which allows a later trademark to co-exist with its prior trademark on specific goods or services. In consideration that a trademark right is in essence a private right and according to the principle of autonomy of will, unless major public interests are involved, the trademark owner can dispose of its trademark right at its own will, and the co-existence agreement indicates, to some extent, that the two parties will not “free ride on” the opposite party’s trademark through use and will make the trademarks distinguishable in good faith. Therefore, the Beijing High People’s Court clarifies the effect of the co-existence agreement in the Guidelines for the Trial of Administrative Cases Involving Trademark Grant and Invalidation, stipulating that co-existence agreements can serve as the *prima facie* evidence for excluding a likelihood of confusion.

Co-existence agreement, however, is not a sufficient condition for excluding a likelihood of confusion. A trademark basically functions to distinguish the source of goods or services. One of the legislative purposes of the trademark law is to protect the interests of consumers and prevent identical or similar trademarks from appearing in the market and causing confusion among consumers. Thus, the autonomy of will of parties shall not exist at the price of confusion among consumers. In judicial practice, the court generally makes the judgment on whether a co-existence agreement is admissible on a case-by-case analysis, in comprehensive consideration of such factors as the degree of similarity of signs, goods or services, whether the public interest or the interests of a third party are impaired, and whether the formal requirements of the co-existence agreement are met, in order to maintain the balance between private interest and public interest in specific cases. When designated goods or services are related to the public interest, such as a co-existence agreement related to medical and health care, the court will adopt a more stringent and cautious attitude. Even if the two parties have reached a co-existence agreement, the court will not recognize the co-existence agreement in order to prevent confusion among consumers to the maximum extent.

In the “ATLANTIS” trademark case⁵, the plaintiff applied for registering the disputed trademark “ATLANTIS” designated for use on dental implants under Class 10. The

defendant, the CNIPA, rejected the application for the disputed trademark on the grounds that the disputed trademark and the cited trademark constitute similar trademarks, which violated Article 30 of the China’s Trademark Law. Then, the plaintiff sued the defendant in the Beijing IP Court, requesting the court to vacate the sued decision. After trial, the court held that the co-existence agreement should be authentic, legal and valid, and does not impair the national interest or the public interest, or the legitimate rights and interests of the third parties. The co-existence agreement can be used as the *prima facie* evidence for excluding the likelihood of confusion when judging whether the disputed trademark and the cited trademark constitute similar trademarks. If the cited trademark and the disputed trademark have identical or substantially identical trademark signs and are used on identical or similar goods, the application for the disputed trademark cannot be approved merely on the basis of the co-existence agreement. In the present case, the disputed trademark and the cited trademark have the same signs. When they are used simultaneously on identical or similar goods, the disputed trademark has lost its ability to enable the relevant public in China to distinguish the source of goods or identify the source. The co-existence agreement between the right holders alone does not suffice to exclude the likelihood of confusion and misidentification among the public in China. The registration of the disputed trademark may impair the legitimate rights and interests of the public in China, which falls within the circumstances as stipulated in Article 30 of the China’s Trademark Law. Hence, the court decided to dismiss the plaintiff’s claims.■

The author: President of the Beijing IP Court

¹ See the Administrative Judgment No. Jing73xingchu 9192/2017.

² See the Administrative Judgment No. Jing73xingchu 14110/2019 and the Administrative Judgment No. Jingxingzhong 858/2021.

³ See the Administrative Judgment No. Jing73xingchu 3240/2018 and the Administrative Judgment No. Jingxingzhong 2540/2020.

⁴ See the Administrative Judgment No. Jingzhixingchuzi 807/2015, the Administrative Judgment No. Jingxingzhongzi 2649/2018 and the Administrative Judgment No. Zuigaofaxingzai 370/2020.

⁵ See the Administrative Judgment No. Jing73xingchu 7917/2017 and the Administrative Judgment No. Jingxingzhong 4645/2020.