

NEW IMPLEMENTING REGULATIONS FOR THE TRADEMARK LAW OF THE PEOPLE'S REPUBLIC OF CHINA

In view of the New Trademark Law which came into force on 1 May 2014, the State Council promulgated the New Implementing Regulations for the Trademark Law on 29 April 2014, which takes effect on same date as the New Trademark Law. Some of the changes are as follows:

EXAMINATION TIMEFRAME (ARTICLE 11)

One of the changes in the New Trademark Law is to impose different timelines for various examination procedures, such as new applications and oppositions. However, the New Regulations list out the following which are not to be taken into account when calculating examination timelines:

1. The time for serving documents by the CTMO and the TRAB;
2. The time for filing supplemental evidence or making correction to documents, or preparing new defence due to change of parties;
3. The time for submitting use evidence, negotiating for settlement or drawing lots when there are applications for identical or similar trademarks in respect of the same or similar goods filed on the same date;
4. The time for ascertaining priority rights;
5. The time needed for decision to be rendered for cases relating to relevant prior rights (if and when suspension of examination is requested by the applicant of the case).

It is noteworthy that for item 5 above, the suspension request has to be made by the applicant of the case. There was no such a requirement in the consultation paper for the New Regulation. In other words, if you are a respondent, your request for suspension on grounds of

pending decisions regarding relevant prior rights may not be entertained.

NEW REQUIREMENTS FOR FILING APPLICATIONS (ARTICLES 13 TO 15)

Detailed requirements for submitting trademark specimen can now be found in the New Regulations. For example, specimen of a 3D mark should be capable of defining the shape of the mark and should at least include illustrations of the mark from three different perspectives; specimen of a sound mark should include standard musical notation (on five-line staff) or numbered notation, together with description in words.

In addition, the New Regulations stipulate that, apart from the Power of Attorney and Application Form, a Certificate of Incorporation or an ID copy (for individual) is required to be submitted at time of filing trademark applications (the same requirements are applicable to applications for opposition, assignment recordal, renewal, request for change of particulars, etc.). When the New Regulations was implemented in May 2014, the CTMO required submission of the original Power of Attorney, Application Form and a copy of the Certificate of Incorporation/ID duly signed by the applicant at the time of filing new applications. This has caused much inconvenience to the applicant, as before the New Regulations were implemented, a copy of the executed Power of Attorney was all a trademark agent would need from the applicant.



However, this practice of CTMO has been abolished in mid-June 2014. Now, copies of the Certificate of Incorporation/ID and the executed Power of Attorney are sufficient to enable the trademark agent to do the filing. The Application Form can also be signed by the agent on behalf of the applicant. Therefore, the current practice is just like the one before the implementation of the New Trademark Law, except that the applicant needs to provide a copy of its Certificate of Incorporation/ID.

China adopts a sub-class system, and examiners adhere strictly to the standardized terms in the classification table when conducting formality examination. Therefore, non-standardized items often lead to the issuance of notice by CTMO requiring the applicant to replace those items with the standard ones in the classification table. However, the New Regulations now require that application with specification covering non-standardized items should be accompanied with descriptions of the goods/services to enable the examiners to better understand the nature of the goods/services. However, whether this will lead to fewer CTMO's notices for corrections is yet to be seen.

RESPONSES TO NOTICE OF CORRECTION (ARTICLE 18)

According to the New Regulations, the applicant still has 30 days to make corrections to formality deficiencies upon receipt of notices from the CTMO, just like the practice under the old regulations. However, if the applicant does not make corrections within the 30-day timeframe or fails to make corrections as requested, the CTMO will refuse the application straightaway. In other words, the applicant now only has one opportunity to make corrections, whereas in the past, the CTMO might issue more than one notice for the same application.

DIVISIONAL APPLICATION (ARTICLE 22)

The New Regulations introduce a new mechanism allowing the applicant to request for divisional application in response to a Notice of Partial Refusal. The applicant has 15 days from the date of receipt of the Notice to file the request so that the goods/services preliminarily approved are moved to a new application which will be allocated with a new application number while keeping the filing date of the original application. This change allows earlier registration of the application for the undisputed goods/services and the possibility of obtaining a registration certificate and enforcing the relevant trademark rights earlier.

OPPOSITION (ARTICLE 24)

The New Trademark Law restricts the rights to oppose against an application to prior right owners or interested parties on grounds of prior rights, unauthorized filing by agent or deceptive geographical indication in the mark. Pursuant to the New Regulations, in order to file an opposition application, the opponent has to provide evidence showing that the opponent is a prior right owner or an interested party, apart from the opposition form, the Certificate of Incorporation/ID of the opponent and the power of attorney. Such evidence may include certificates of prior rights, retainer agreement between you and your agent, etc. However, this increases the burden of the opponent and makes it more difficult for opposition applications to be accepted by the CTMO. It is therefore advisable that audit of trademark portfolio be done regularly so that oppositions can be filed timely within the 3-month opposition period.

ASSIGNMENTS AND LICENSE RECORDAL (ARTICLES 31 AND 69)

According to the New Regulations, assignment recordal applications have to be handled by the assignor and assignee jointly, whereas in the past, it was done solely by the assignee. Moreover, a license recordal application can now be filed at any time during the validity period of the license and is effective against third parties from the date of publication of the recordal, whereas in the past, recordal application had to be filed within 3 months of date of signing of the license agreement. Under the New Regulations, for license recordal application, the original license agreement need not be provided to the CTMO, and provision of basic information such as identities of licensor and licensee, the term of license, licensed products/services, etc. is sufficient for recordal purpose.

HEARINGS BY THE TRAB (ARTICLE 60)

The New Regulations enable the TRAB to conduct hearings based on request by the party(ies) or as the circumstances require. If hearing is to be held, the TRAB will inform the party(ies) in writing 15 days before the hearing date. The party(ies) should confirm its attendance or otherwise reply to the TRAB within the period prescribed on the notice. The application in question will be deemed withdrawn if the applicant fails to provide timely reply or attend the hearing. On the other hand, if it is the respondent who fails to provide timely reply or attend the hearing, the trial will be

held notwithstanding the absence of the respondent. It is expected that the format of a TRAB hearing would be similar to a court hearing, yet the actual practice of the TRAB is yet to be observed.

ENFORCEMENT (ARTICLE 75)

In relation to Article 57(6) of the New Trademark law, the New Regulations expand the definition of “assisting and facilitating other parties’ infringing activities” to include provisions of “printing” and “online product exchange platforms”. Although the scope of provision of “online product exchange platforms” is narrower than that of provision of “internet services” as suggested in the consultation paper for the New Regulations, this final version should be able to adequately address the growing concerns of online trademark infringement on Taobao, Alibaba, JD, Tmall, etc.

LOOKING FORWARD...

The New Regulations provide guidelines on how the New Trademark Law is to be implemented. At the same time, the New Regulations leave many practical issues unsolved. The requirement of original documents for new filings by the CTMO vividly illustrates that the New Regulations are not comprehensive and the authorities are still adjusting their practices. Therefore, due observation is still required in order to understand how our trademark system is to be changed in the New Trademark Law and New Regulations.

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