

NEW REGULATIONS ON RECOGNITION AND PROTECTION OF WELL-KNOWN TRADE MARKS

The recognition of a trade mark's well-known status has always been important to any trade mark portfolio strategy in China due to the restrictive sub-class system and the first-to-file regime. Well-known status therefore helps trade mark owners establish prior rights and also rights across a wider class of goods and services than that which is registered in China. In 2014, over 4,400 marks were awarded well-known status, of which 150 belonged to non-Chinese enterprises. When compared to 2013, this represents a 12% increase.

The SAIC recently promulgated the New Regulations on Recognition and Protection of Well-Known Trade Mark ("2014 Regulations") which took effect on August 3, 2014. The New Regulations replaces the 2003 Regulations ("2003 Regulations"), and governs the recognition of well-known trade marks by the CTMO, TRAB and the courts. Some of the changes are as follows:

1. CASE-BY-CASE APPROACH TO RECOGNITION AND PROTECTION OF WELL-KNOWN TRADE MARK

The 2014 Regulations clearly stipulates that the recognition and protection of a well-known mark adopts the case-by-case approach to examination and the passive protection principle.

This general principle has been in practice for many years, however it is now codified for the first time.

The case-by-case approach refers to the fact that each case is to be adjudicated based on its own set of facts and cannot therefore be used as binding precedent on future cases.

The passive protection principle refers to the requirement that one may only seek the recognition of well-know status in a contentious matter to be examined by the TRAB or the court but may not submit an action merely to ask for the recognition in itself. The well-known status claim is merely to substantiate arguments for an ongoing contentious matter.

The codification of these two bedrock principles reinforces the discretion of the examiner on each case and that any prior cases can only be used as persuasive evidence.

However, we have had many successful experiences whereby examiners were willing to extend the well-known status to other related classes of the same trade mark owner once well-known status has been granted before.

2. CLEAR REQUIREMENT FOR PERIOD OF CONTINUOUS USE IN CHINA

Article 9.2 of the 2014 Regulations stipulates that if the mark to be relied on by client is an unregistered mark in China, the evidentiary requirement is continuous use in Mainland China for at least **5** years prior to the date of application of the disputed mark or the claim of well-known status in trade mark administration case. If the mark to be relied on by client is a registered mark in China, the evidentiary requirement will be continuous **use** in Mainland China for at least **5** years prior to the date of application of the disputed mark or the claim of well-known status in trade mark administration case, or that the cited mark has been registered in Mainland China for at least **3** years.

We previously did not have any clear requirement of the length of time required for continuous use, and therefore this is helpful clarification.

3. OFFICIAL TIME FRAME FOR RECOGNITION

In line with the spirit of the New Trade Mark Law, which imposes strict examination timeframes on the examiners, the 2014 Regulations supplements previous regulations and imposes additional timeframes on the adjudication of well-known status. As such, we look forward to a more streamlined approach to the recognition of well-known status as below:-

EXAMINATION TIMEFRAME	2013 REGULATIONS	2014 REGULATIONS
A. Trade Mark Opposition/Review Case	No specific requirement	12 – 18 months
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B. Trade Mark Administration Case		
- Preliminary examination by provincial level AIC	15 days	30 days
- Examination by provincial level AIC	15 days	30 days
- Recognition by CTMO	6 months	No specific requirement
- Completion of cases by local AIC	No specific requirement	60 days after recognition of well-known status

4. REMOVAL OF ONE-YEAR BAR TO CLAIMS OF WELL-KNOWN STATUS

According to the 2003 Regulations, if a trade mark concerned is not recognized as a well-known mark, the claimant is not allowed to request for recognition of well-known status of the same trade mark based on the same grounds and evidence within one year. This restriction has been removed in the 2014 Regulations and hence trade mark owners now enjoy more freedom in the requesting for recognition of well-known status.

CONCLUSION

Despite the many changes in the 2014 Regulations, the bulk of the changes are codification of practices of the CTMO and TRAB. Nevertheless, we can see that the SAIC is putting more emphasis on the framework for recognition of well-known status of trade marks.

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