

# VIVIEN CHAN & Co.

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## NEWSLETTER

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### IP UPDATE



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## Apps: What Classes Should You Be Considering in China? – Lesson Learnt from Didi

"Didi" ("滴滴") is the most popular car sharing app in China with over 250 million of users. Its recent merger with Uber China for US\$8 billion has propelled it into the international stage. Its recent legal success in a trademark infringement law suit bears significance as it alerts app owners to the importance of obtaining protection for marks in appropriate classes of goods and services.

In this case, Guangzhou Rui Chi Computer Technology Co. Ltd., a calculator manufacturer and an educational software developer, claimed that the "Didi Da Che" ("滴滴打車") device mark , which was unregistered at the time but was used in relation to a mobile car sharing app, was an infringement of its registered marks "滴滴" ("Didi") and "滴滴" ("Didi") ("the Registered Marks").

It is worth noting that the Registered Marks were registered in Classes 35 (advertising, business administration etc.), 38 (telecommunications), 41 (education) and 45 (personal and social services), but not in Class 39 (transport).

The People's Court of Haidian District, Beijing (the "Court") found that the app operated by the defendant "Didi Da Che" is by nature transportation services, which should fall

under Class 39, and is therefore dissimilar to the plaintiff's registered services under business management services in Class 35 and telecommunications services in Class 38. The Court acknowledged that, against the backdrop of a fast-growing digital economy, many traditional industries have utilized mobile networks and communications tools to operate. Nevertheless, in classifying the goods and services of trademarks, due regard must be paid not only to the fact that the business is operated via an app, but also to the major feature of the business. The Court's position is consistent with the Chinese view on classification i.e. that the goods or services that are covered by the class covers all that relates to the goods or services i.e. the manufacturing, processing, advertising and retailing of the goods.

Having said that, the Court's judgment by no means suggests that companies that operate their businesses online or via software should not register their trademarks in Class 38 (or Class 9 in relation to computer software or Class 42 in relation software development services). Rather, in addition to aforementioned classes, when designating the classes of a trademark, businesses should ensure that due protection is given to the nature of goods and services that the business actually trades or intends to trade. This applies to both businesses which utilize apps as the mode of business operation, as well as traditional household brands which develop apps to support its major business services.