

# VIVIEN CHAN & Co.

YOUR GREATER CHINA LAWYERS

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## NEWSLETTER

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### IP UPDATE



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## Update to CTMO & TRAB Practice: Our Knowledge Sharing Session Part 2

In our previous [update](#), we shared with you CTMO and TRAB's new policies in the Year of the Rooster on a few matters including registrability of sound marks, slogans and geographical marks; copyright as prior right and the notion of bad faith. Here are a few more updates:-

### 1. STRONGER PROTECTION FOR NAME RIGHTS

In the *Regulations on Several Issues relating to Administrative Trademark Litigation Involving the Grant and Determination of Trademark Rights* (the "Regulations") effective on 1 March 2017, the Supreme People's Court explicitly establishes two absolute grounds for objection to trademarks based on infringement of name rights.

Registration of names of public characters in the areas of politics, economy, culture, religion and nationalities etc. is recognized as having negative impact on the public interest and public order of China and thus illegal without any exception (Article 5 of the Regulations). This conforms to the TRAB's decision on the "TRUMP" mark in April 2016, where it finally rejected the mark registered by a Chinese businessman back in 2006 after two unsuccessful prior appeals by President Donald Trump's enterprise.

Celebrities in other areas, such as sports or entertainment, can object to marks on the ground that the use of the mark is deceptive and may mislead consumers that the products with

such mark are permitted by or related to the person (Article 20 of the Regulations). This is reminiscent of the well-known judgment of the Supreme People's Court on the "JORDAN" mark in December 2016. We have written an article on the case [here](#).

These two grounds provide public figures with additional ammunition in the fight against squatters of name rights in China. However it is still uncertain whether the use of the transliteration of such names also constitutes infringement of name rights – regrettably to which the Supreme People's answer in the JORDAN case was "no".

### 2. ADDITIONAL GOVERNMENT BODIES INVOLVED IN TRADEMARK INFRINGEMENT MONITORING

During the news conference held by the State Council Information Office on 25 April 2017, the CTMO announced its scheme to disclose information of trademark infringement and illegal trademark agents publicly onto its National Corporate Credit Publicity System. Dishonest behavior including squatting,

trademark infringement and registration of marks with bad faith will be publicly listed in the system monitored by over 30 national authorities, including the National Development and Reform Commission (NDRC) and the Ministry of Justice (MOJ). Infringing corporates may be blacklisted, prevented from conducting certain business activities or punished in other ways.

This is intended to put trademark infringing conduct under the supervision of various government bodies and to affect the reputation of infringers. The general public will have easier access to such information and be more alert to potential risks related to their trademarks in their business activities.

### **3. EXPANDED USE OF ONLINE TRADEMARK REGISTRY PLATFORM & ONLINE APPLICATIONS**

Online applications are now allowed not only for trademark agents but any domestic applicants. This will increase the ease of applications domestically. Foreign applicants with

habitual residence or place of business in China are also allowed to use the online application capabilities. However, the application must use the Chinese address.

### **4. CHANGED POLICY ON REGISTRATION OF CERTAIN MARKS**

According to Article 10(1) of the PRC Trademark law, signs identical with or similar to the name, national flag, national emblem etc. of the PRC cannot be registered as trademarks. Article 3(2) of the Regulations further provides that marks with name etc. of the PRC but is not generally similar or identical with the same can still be rejected under Article 10(1)(8) of the Trademark law if the subject marks may "damage national dignity of China". Therefore any use of "China" in trademarks may be met with this objection.

Stay posted for further updates from us on CTMO and TRAB practice.