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HONG KONG | BEIJING

NEWSLETTER

issue 14 . 2017

IP UPDATE



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Our Winning Stories: Re-recognition of Well-known Status and Cross-class Protection

As you may know, well-known status is one of the most efficient and powerful instruments for trademark owners to achieve cross-class protection in China. However, it is not a once-and-for-all matter in China. Recognition of well-known status in China is case specific, and we need re-recognition of such status from time to time to reinforce the scope of protection of client's well-known trademarks in China. We are pleased to share our recent success at both the court level and the Trademark Review and Appeal Board ("TRAB") level for such re-recognition in China.

COURT LEVEL: EXTENDED PROTECTION FROM CLASS 25 TO CLASS 34

Recently we obtained a favorable judgment from the Beijing Intellectual Property Court ("Beijing IP Court") regarding the opposition review against a squatter's mark "¥" in Class 34 (the "Opposed Mark") for our client Yves Saint Laurent ("YSL"). The Court upheld the opposition review decision made by the TRAB in rejecting the squatter's application for the Opposed Mark.

After considering the evidence we submitted (for the period from 1998 to 2016), the Beijing IP Court reaffirmed the view of a previous decision in 2005 that YSL's "¥" marks in Class 25 are well-known marks. The Court concluded that YSL's "¥" marks have enjoyed extensive publicity and high reputation

amongst the relevant public in China, and hence re-affirmed and re-recognized the well-known status of YSL's "¥" marks.

The Beijing IP Court went on to consider that in view of the fact that the Opposed Mark is identical to the YSL's well-known marks, and notwithstanding the fact that the Classes are different, they can be regarded as daily necessities with similar sale channels and target consumers, the Opposed Mark, if allowed, would likely mislead and confuse the consumers, causing damage to YSL.

While it is a common perception that the Court would usually have a stricter formality and evidential requirement in

recognizing the well-known status, this is a welcoming development. How the Court would recognize the well-known status goes to how one preserves and presents relevant evidence to the Court. It is to be expected that with the re-recognition at the Court level, client's fame and reputation in China could be better protected.

TRAB LEVEL: EXTENDED PROTECTION FROM CLASS 12 TO CLASS 24

Our attempt at the TRAB level to seek reaffirmation of well-known status for another client has also been fruitful. Recently we obtained a favorable TRAB decision for one of the largest multinational automakers in invalidating the registration of a mark in class 24 (the "Disputed Mark") which entirely incorporates our client's mark in class 12.

Based on the evidence submitted by us, TRAB found that our client's marks had enjoyed very high reputation amongst the public and these marks have become well-known through long-term and extensive use and promotion in China. Therefore TRAB re-affirmed its own decision in 2015 (where TRAB first recognized well-known status of our client's marks in class 12). TRAB ruled that the use and registration of the Disputed Mark on bedspreads etc. in class 24 would likely cause confusion or misidentification amongst the relevant public as to trade origin and damage our client's interests and therefore constituted violation of Article 13.3 of PRC Trademark Law.

TAKEAWAY

Pursuant to Article 13.3 of PRC Trademark Law, protection of well-known trademark may be extended to goods and services in other classes or sub-classes which are normally regarded as irrelevant to the designated goods or services of the mark. Although the recognition and protection of well-known marks in Chinese law adopts a case-by-case approach and therefore cannot be used as binding precedents for future cases, our successful experience in these two cases indicates that it is likely that the authorities i.e. CTMO, TRAB and the Courts will refer to their previous decisions in considering re-recognition of the well-known status. From our experience in China, it will be a strong indicator of well-known status of the mark in China if the status is reaffirmed in every 3 to 5 years' time and the authorities may be more inclined to allow cross-class protection in such circumstances. As a strategy in portfolio management, finding suitable cases for re-recognition of well-known status will be crucial in reinforcing the status itself and the protection offered by the status.

As a separate note, apart from well-known status, we note the trend of the Chinese authorities being more supportive of cross-class protection based on other grounds, e.g. bad faith, despite well-known status not being established. Read more about this [here](#).