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IP UPDATE



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Top 20 Cases from the China Trademark Review and Adjudication Board

The top 20 cases published by the China Trademark Review and Adjudication Board ("TRAB") offer insights on the approach and trends in their decisions, and shed light on how brand owners should frame their arguments and collect evidence. We highlight below some of the key issues.

I. FIGHTING AGAINST TRADEMARK SQUATTING

In opposition and invalidation cases, the fact that the registrant/applicant has registered many third parties' famous brands is a strong reason for TRAB to reject or invalidate the mark in dispute. The TRAB would rely on Article 44(1) of the Trademark Law which stipulates that trademarks obtained through "other illegitimate means" should be invalidated.

In the invalidation cases against "欧柏莱" (OUBOLAI) and "铃声多多" (LING SHENG DUO DUO), the TRAB emphasized that the registrant applied for many trademarks that are identical or similar to famous trademarks of others, which obviously exceeds the actual business need, shows lack of true intention to use the mark, and obviously shows intention to copy and imitate others' trademarks, which is a classic situation of obtaining trademarks through other illegitimate means.

Further, even though Article 44(1) expressly governs invalidation procedures only, the TRAB in practice applies the same principle to opposition proceedings, such as in the "花王绿水" (HUA WANG LV SHUI) case.

II. PROTECTION ON PRIOR RIGHTS

Another focus was on the application of laws relating to prior rights and prior trademarks to reject trademark applications under Article 32 and 30 of the Trademark Law.

1. Name of famous novel as prior merchandising right

"笑傲江湖" (Xiao Ao Jiang Hu) is a well-known kung fu novel written by Louis Cha in the 1960s famous and popular among the Chinese population. The novel was adapted into television drama, movies and games many times. Registration by an internet company of the mark "新笑傲江湖" ("New" Xiao Ao Jiang Hu) on "providing online games on computer networks; entertainment; etc." was invalidated based on the reason that registration of the said mark has illegitimately taken advantage of Mr. Cha's goodwill in the novel and misappropriated the commercial value in the name of the novel. TRAB granted the invalidation taking into account the high fame of the novel, that there is a stable association between the novel and Mr. Cha, and that providing online games is an industry which commonly stems from novel works. The TRAB has recognized the right of

merchandising i.e. the right to combine well-known figures, title of works etc. with goods/services and gain economic benefits through commercial use. As the novel name "Xiao Ao Jiang Hu" has certain reputation and is not merely restricted to the novel itself, if the said mark is used on specific goods or services, the relevant public will reflect their affection for the novel on the said goods/services and allow the registrant to gain extra business opportunities and value, therefore the name of the novel was ruled to constitute "merchandising right" which should enjoy protection by civil law.

The TRAB commented that the "prior rights" in Article 32 should be given a broad interpretation to include all legal rights under the legislations (including the Civil Law, Tort Law, etc.).

2. Prior name right of natural person

In the invalidation decision against the mark "杨幂" (Yang Mi) designated on "bread; tea; etc.", TRAB has reaffirmed the principle for name right infringement laid down in the Michael Jordan case at the Supreme People's Court in December 2016 (read more about the case [here](#)). First, the relevant public should recognize the disputed mark refers to the natural person; second, commercialized use of the name without authorization may damage the interests of the person.

Yang Mi is a well-known female actress in China, whose popularity is evidenced by awards and titles granted by well-known organizations like the United Nations. It was ruled by the TRAB that registration of the disputed mark was applied for with intention to gain economic profits by riding on the publicity and influence of the person, and should therefore be invalidated.

3. Prior copyright

The TRAB has in the invalidation decision against the mark "加德斯 JIADESI & Device" recapitulated the criteria in determining infringement of prior copyright: first, copyright must be prior to application of the disputed mark; second, the disputed mark must be identical or substantially similar to the copyrighted work; third, the applicant for the disputed mark must/may have been in touch with the copyrighted work; fourth, such use was not authorized by the copyright owner.

In the subject case, the TRAB took into consideration that the trademark owner and copyright owner were in the same industry and located in the same province, and thus ruled that the trademark owner may possibly have been in touch with the copyrighted work and that there has been infringement of the prior copyright.

4. Finding of confusion with prior trade names and prior trademark

The fact that the two parties in the dispute are located in the same area was also a relevant factor in finding confusion, and knowledge of the prior business. In the invalidation against the mark "震园堂" (ZHEN YUAN TANG) on "retail and wholesale of pharmaceuticals", the TRAB considered that as the prior mark ZHEN YUAN TANG and trade name ZHEN YUAN of the applicant for invalidation enjoyed high reputation in medical retail business on the services "medicines for human purposes" and "sales promotion [for others]" in the same city of the registrant, the mark in dispute should be considered to be similar mark on similar services to the applicant's prior marks, and its registration would cause confusion and misidentification, and should be invalidated.

We will keep you posted of further updates on TRAB practice.