

New regulations on recognition and protection of well-known trademarks

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On July 3, 2014, the State Administration for Industry and Commerce (SAIC) published the revised Regulations on Recognition and Protection of Well-Known Trademarks (the Regulations). The new Regulations becomes effective 30 days as of the date of publication. It is to standardize well-known trademark recognition and to better protect legal rights of well-known trademark holders.

Article 14 of new China Trademark Law stipulates the factors to be considered in affirming well-known status of a mark, and it also provides clarification on the venues for asserting well-known mark rights, including China Trademark Office (CTMO), China Trademark Review and Adjudication Board (TRAB), and the relevant courts designated by the Supreme Court of the People's Republic of China.

The Regulations are interpreted in respect of administrative recognition made by the CTMO and the TRAB, under the SAIC. Some important contents are summarized below.

Definition

The well-known trademark shall refer to a mark which is widely known to the relevant public in China

The relevant public shall include the consumers in connection with a certain class of goods or services on which the mark is used, other operators who manufacture said goods or provide services, and the marketing people and related personnel in distribution channels.

Venues for administrative recognition of well-known status of a mark

Concerning opposition cases, a party can submit a request for well-known recognition of its mark to the CTMO together with evidential materials to prove its mark has become well-known.

Concerning cases of appeal against disapproval of registration or request for announcement of invalidation, a party can submit a request for well-known recognition of its mark the TRAB together with evidential materials to prove its own mark has become well-known.

Applicable principle

It is principle of case-by-case recognition and passive protection, namely, recognition of well-known status of a trademark shall be based on the trademark holder's request when it thinks its right is infringed, and it is to affirm a matter of fact necessary to be affirmed in a trademark case.

Evidential materials

In compliance with Article 14 of new China Trademark Law, the Regulations state more specifically what could be evidential materials:

1. Evidence proving the degree of knowledge of the relative public to a mark;
2. Evidence indicating duration of use of the mark, such as those regarding the use of the mark or the history and territorial scope of the mark registration. If the mark is unregistered in China, materials proving lasting use for no less than five years must be provided; If the mark is registered in China, materials proving registration for no less than three years or lasting use for no less than five years must be provided;
3. Evidence proving duration, extent and geographical scope of any advertisement of the mark, such as mode or geographical scope of advertisement, types of promotional media, and advertising volume, etc in recent three years;
4. Records proving the mark was ever protected as a well-known mark in China or other countries or regions;
5. Other evidence proving that the mark is well-known, such as those proving sales revenue, market share, retained profits, amount of tax payment, sales area, etc. in recent three years.

The above-mentioned three years or five years refer to the specific period prior to the date of application for registration of the opposed mark or that prior to the date of application for invalidation of the registered mark.

The standard for evidence requirement is still high. It is important for the trademark holders to consistently maintain enough evidence. In our experiences, the chances of success decrease if a party provides insufficient evidence of use in China or it is reluctant to provide some key evidence in China because of trade secret concern.

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