

## China allows TM filings in certain retail or wholesale services

*By Xiang Gao, Peksung Intellectual Property Ltd., China*

According to WIPO, a new version of the tenth edition of the International Classification of Goods and Services for the Purposes of the Registration of Marks (Nice Classification) entered into force on January 1, 2013. The new version includes a number of changes with regard to the previous version. On November 26, 2012, China Trademark Office (CTMO) online published a notice concerning preparation for adoption of the new version as from the same date.

The CTMO has a self-edited Classification of Similar Goods and Services for Registration of Marks in China (Classification Book). The Classification Book is edited on the basis of the Nice Classification, therefore almost all goods or services adopted in the Nice Classification are included in the Classification Book, furthermore, the CTMO adds some specific or Chinese-characteristic goods which do not appear in the Nice Classification to the Classification Book. The Classification Book is an important reference guide for the CTMO examiners to make examinations on mark applications, particularly on those filed by Chinese parties and those filed by foreign parties through national filing approach. The CTMO had not previously accepted the term "retail or wholesale services", therefore, applicants in pursuit of protection for those services had instead, before applications, designated alternative acceptable services terms such as "business information", "marketing", "import-export agencies", "sales promotion for others", "procurement services for others [purchasing goods and services for other business]", "presentation of goods on communication media for retail purposes", etc. (Substitute Services) which appear in the Classification Book, or after office actions arise, amended the originally designated "retail or wholesale services" to be those Substitute Services. Nevertheless, it is impossible to require such an amendment when the CTMO issues a notice of refusal, through International Bureau of WIPO, of an international registration extending to China because of "retail or wholesale services" included in the specification, and as a result it is often advisable to file a new application covering the Substitute Services.

Now, applicants may have more options. The new version of the Nice Classification includes the newly added "retail or wholesale services for pharmaceutical, veterinary and sanitary preparations and medical supplies". On December 14, 2012, the CTMO online published a "notification about mark applications in respect of newly added retail or wholesale services" (Notification). In the Notification, the CTMO makes clear explanations in four sections.

### **A. The Newly-added Services and Definition**

Based on the new version of the Nice Classification, the CTMO sets up a new subclass 3509 in the Classification Book to include the following acceptable service terms (Newly-added Services):

1. Retail or wholesale services for pharmaceutical, veterinary and sanitary preparations and medical supplies;
2. Retail or wholesale services for drugs for human use;
3. Retail or wholesale services for pharmaceutical preparations;
4. Retail or wholesale services for sanitary preparations;
5. Retail or wholesale services for medical products;
6. Retail or wholesale services for veterinary drugs;
7. Retail or wholesale services for veterinary preparations.

You can note that Term 1 is the one directly imported for the new version of the Nice Classification, and Terms 2-7 are further refinements.

According to the CTMO, the Newly-added Services belong to retail or wholesale services, and mean concentration and classification (except for transportation) of drugs for human use, pharmaceutical preparations, sanitary preparations, medical products, veterinary drugs, and veterinary preparations (the said Goods) to facilitate customers' view and purchase. The Newly-added Services are aimed at encouraging customers to purchase the said Goods, either at traditional stores or through online stores.

## **B. Mark Applications concerning the Newly-added Services**

The CTMO indicates that applicants must file applications in accordance with the Newly-added Services, which are standard terms as listed above; the specifications of the applications must not exceed the scope of the Newly-added Services; and the CTMO will definitely NOT accept the following terms outside the scope:

- Retail or wholesale services;
- Retail or wholesale of drugs;
- Retail or wholesale services for names of drugs;
- Retail and wholesale services for certain brands of drugs;
- Providing information for retail or wholesale of drugs;
- Providing consulting services to customers during drug retailing;
- Retail or wholesale services for compound preparations provided by medical institutions;
- Other non-standard items

## **C. Similarity among the Newly-added Services**

According to the CTMO, the following are considered as similar to each other:

- Term 1 and either of Terms 2, 3, 4, 5, 6, and 7
- One of Terms 2, 3, 4, or 5 and one of the other three;
- Term 6 and Term 7

The following are considered as dissimilar to each other:

- One of Terms 2, 3, 4, or 5 and one of Terms 6 or 7

Furthermore, the CTMO indicates that the Newly-added Services are neither considered similar to the Said goods in Class 5, nor to "sales promotions for others" and other services in Class 35.

We believe the relationship of similarity or dissimilarity will help to foresee or determine if one prior mark will block another identical or similar mark filed later.

## **D. Interim Rules**

By reference to the experiences when service marks were first introduced in 1993, an interim period was established by the CTMO and it runs from January 1, 2013 to January 31, 2013.

During the interim period, where applications are filed by different applicants for the registration of identical or similar trademarks in respect of identical or similar Newly-added Services, those applications shall be regarded as filed on the same day. As for those applications having the same filing date, the application with prior use will be preliminarily approved. If the applicants used the mark starting from the same day, or none of them have used it, they shall resolve the matter through consultation. If the applicants fail to reach an agreement, the CTMO will arrange a lottery draw to determine which application will be accepted.

During the interim period, the scope of the services designated by an applicant must be consistent with its business scope approved in its Business License. On December 25, 2012, an explanatory note concerning the interim period further issued by the CTMO clearly indicates that an applicant for the Newly-added Services must provide a copy of its Business License. As for foreign applicants, we believe that the equivalent certificate of identity could be Certificate of Incorporation, Business Registration Certificate, Memorandum of Articles, or the like. Chinese translation of the copy of the certificate must also be submitted if the certificate is in a foreign language.

### **Our Further Comments**

We guess that the CTMO allows the Newly-added Services because Chinese government has relatively stronger control mechanisms in the relevant industries.

In light of this latest development, applicants involved in retail or wholesale services in this field in China shall review their trademark coverage in China and consider trademark filings in respect of the Newly-added Services as soon as possible.

***For more information, please contact:***



Xiang Gao  
Partner, Head of Trademark Department  
Peksung Intellectual Property Ltd.  
[mail@peksung.com](mailto:mail@peksung.com), [gxiang@peksung.com](mailto:gxiang@peksung.com)  
[www.peksung.com](http://www.peksung.com)