

Trademark Prosecution in China

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

WHAT IS THE DIFFERENCE BETWEEN REGISTERING A TRADEMARK THROUGH THE MADRID SYSTEM AND REGISTERING A NATIONAL CHINESE TRADEMARK?

China joined the Madrid Agreement Concerning the International Registration of Marks (the Agreement) on July 4, 1989. It entered into force in China on October 4, 1989.

China joined the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (the Protocol) on September 1, 1995. It entered into force in China on December 1, 1995.

An application for international registration designating China must be presented to the International Bureau (IB) of the World Intellectual Property Organization (WIPO) through the office of origin of the holder. Unless the China Trademark Office (CTMO) issues a refusal and notifies the IB within 12 months under the Madrid Agreement (or within 18 months under the Madrid Protocol) the protection of the mark in China is the same as if it had been registered by the CTMO. Therefore there is no difference in legal effectiveness.

The Madrid approach is cost-efficient, especially when a holder wishes to designate more member countries. However, some holders still prefer the national filing approach in China possibly because of the following reasons: The scope of specification of the holder's basic registration or application is not broad enough; the international registration designating China might encounter refusal due to the problem of the specification; the holder prefers a national certificate of registration which is convenient for enforcement actions; the mark is a Chinese character mark, so it is more convenient to directly file such applications to the CTMO; and/or the holder is afraid of the risk of "central attack".

HOW EASY IS IT FOR FOREIGN COMPANIES TO REGISTER A TRADEMARK THROUGH NATIONAL APPROACH?

Generally speaking, it is easy for foreign companies to apply to register a trademark in China.

There are a few points to emphasise: A foreign applicant as a legal entity does not need to provide a copy of proof of its identity, such as a Certificate of Incorporation, but a foreign applicant as a natural person must provide a copy of their identity card or passport; home registration is not required, neither is the use of the trademark before filing.

However, multi-class application is NOT allowed in China, so one application means one mark in one class and applications for the registration of smell and sound trademarks are not acceptable yet. If the CTMO does not object to the application or its office actions (the first could be issued in approximately 4 to 6 months from the filing date) are overcome, the trademark will be published in the Trademark Gazette for 3 months. If no opposition is filed against the trademark during the publication period, or if the opposition fails, the CTMO publishes the registration in the Trademark Gazette and issues the registration certificate in about 2 months. Overall, it may take about 15 months from application to registration if there are no obstacles.

ARE THERE ANY COMMON MISTAKES CLIENTS CAN BE AWARE OF BEFORE THEY LOOK TO REGISTER TRADEMARKS IN CHINA?

1) Not to decide to file as early as possible

China is a first-to-file country, so whoever registers a trademark first will have exclusive rights to use it. Only registered trademarks are protected. Protection for well-known trademarks that are not yet registered in China can be an exception, but it is very hard to have an unregistered trademark recognized as well-known by Chinese administrative or judicial bodies. If a foreign company is thinking of doing business in China now or in the future it needs to register its trademark in China. If not, there is a risk that someone else will do it and the foreign company may have to face costly and timeconsuming processes such as opposition, review, cancellation, litigation, and/or negotiation.

2) Not to consider consistency of the applicant's name and address

Supposing an applicant has previous trademark registrations or applications in China and its name and/or address has undergone a change but it did not apply to record such a change with the CTMO and if it, in the form of its new name and/or address, applies for registration of a new trademark which is identical or similar to the prior registered or pending trademarks in respect of identical or similar goods, the new application will likely be rejected by citing the old ones as obstacles because the owners in different names or addresses are not treated as the same one. Therefore, it is important to record a change in registrations or applications when the change occurs or at the time of filing the new application. Incidentally, the CTMO requires Chinese translation of a foreign applicant's name, and it is advisable to adopt a consistent version of the translation.

3) Not to file properly and broadly in respect of specification in one class

The CTMO does not totally copy the International Classification of Goods and Services enacted by WIPO, but uses it as the basis to make its unique Book on Classification of Similar Goods and Services for the Chinese examiners' reference. Chinese common goods and services which are not listed in the International Classification are also added and the unique subclasses within each of the 45 International Classes are further designed according to the similarity of the goods or services. Therefore, it is likely that if an application is filed using the original specifications instructed, the CTMO may issue official notifications of amendment if it thinks some items are too vague. To avoid potential amendment, the applicant may consider choosing standard wordings before filing. To broaden the scope of protection on the other hand, it is useful to select one or a few representative items in subclasses other than those in which the original specifications fall.

4) Not to consider "defensive registrations" in other classes

The concept of defensive trademark registration does not exist in Chinese Trademark Law. Nevertheless, some companies register their marks not only in the classes of their actual goods or services, but also in classes of the goods or services that are dissimilar to theirs. This approach might lead to cancellation actions due to non-use for three consecutive years, but the cost of registering a mark is much less than for initiating other proceedings and this approach may also allow the companies to negotiate from an advantageous position.

5) Not to consider registering a proper Chinese trademark

Chinese marks may be of even greater importance to protecting a brand in China, thus it is recommended to register Chinese-language versions of foreign-language trademarks too. If not, there is a risk that someone else will. When developing a Chinese language trademark, an applicant has three options: Translation, transliteration, or a combination of both translation and transliteration. The ideal method is to make the translation/transliteration positive and attractive while maintaining a strong connection to the phonetic content of the original. When picking a Chinese character, it is important to avoid one which has a negative meaning or which has little resonance with Chinese consumers -

whether it is conceptually negative in itself or it is an inseparable part of the whole Chinese mark which conveys a negative meaning.

HOW EFFECTIVE IS THE ADMINISTRATIVE RAID PROCEDURE AVAILABLE TO TRADEMARK OWNERS IN CHINA?

The Administrations for Industry and Commerce (AICs) at different levels across China can, initiatively or at the request of the trademark owners, conduct administrative raids. It is very suitable for stopping an obvious infringing act or for instantly preventing an infringement from being rampant. However, there is no discovery procedure in China as there is in the US. An investigation to collect evidence of infringement is a prerequisite for the AIC administrative action initiated by a trademark owner's complaint.

Border measures can also help to protect trademark owners. There are two types of border measures: Measure of Protection Upon Direct Application and Measure of Protection Upon IP Recordation and Customs Ex-officio Action. It is highly recommended to use the latter because recordal of registered trademarks before the General Administration of Customs of China (GACC) enables the officials of local port customs, on their own initiative, to take enforcement actions against suspect goods at the border.

For more information, please contact:

Mr. Xiang Gao
Partner, Trademark Attorney
Peksung Intellectual Property Ltd.
908 Shining Tower, 35 Xueyuan Road,
Haidian District, Beijing 100191
China
Tel: +86-10-8231 1199
Fax: +86-10-8231 1780; +86-10-8231 1782
Email: gxiang@peksung.com
Website: www.peksung.com

Xiang Gao graduated from Peking University, Beijing, China with a Bachelor of Law in 1991, and he also obtained a Master of Intellectual Property and Diploma of Advanced Licensing Institute from Franklin Pierce Law Center, Concord, New Hampshire, in the US in 1997. He registered to practice before the Chinese Trademark Office in 1995. In 2004, Gao joined Peksung Intellectual Property Ltd. as a partner to handle trademark, copyright and domain name matters. He is a member of AIPPI China and INTA.