



# BRAND PROTECTION

Matias Zubimendi

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# China IP SME Helpdesk

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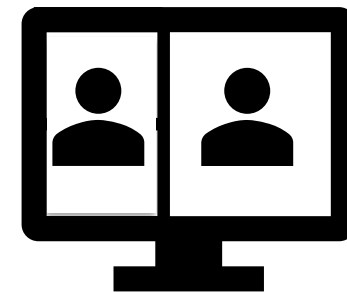


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## Guides & Factsheets



## One-on-one Consultation Sessions



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## IP Factsheet: Mainland China



**1. THE FACTS: Business in Mainland China for EU Companies**  
(Source: DG Trade)



**SIZE of Market:**

- EU exports to Mainland China: EUR 173.5 billion
- EU imports from Mainland China: EUR 299.9 billion
- Total trade in goods: EUR 473.4 billion

> Mainland China is the EU's second largest trading partner, after the USA.  
 > The EU is China's largest trading partner.

**Key INDUSTRY SECTORS:**

- > EU exports to Mainland China are dominated by machinery and equipment, motor vehicles, aircraft, and chemicals.
- > Mainland China's key export items to the EU include machinery and equipment, footwear and clothing, furniture and lamps, and toys.

**1 THE FACTS: Business in Mainland China for EU Companies**  
 SIZE of Market  
 Key INDUSTRY SECTORS  
**2 IPR in Mainland China for SMEs: BACKGROUND**  
 Intellectual Property Rights for SMEs: Why is this RELEVANT to you?  
 How does Mainland China's IP legal framework compare to INTERNATIONAL STANDARDS?  
**3 IP Rights in Mainland China THE BASICS**  
 A. Copyright  
 B. Patents  
 C. Trade Marks  
 D. Geographical Indications (GIs)  
 E. Trade Secrets  
**4 Using CUSTOMS to block counterfeits**  
**5 Enforcing your IP**  
 Administrative actions  
 Civil Litigation  
 Criminal Prosecution  
**6 RELATED LINKS and Additional Information**

Co-funded by:  
  
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## Protecting Your Trade Secrets in China

Prevention is the key to protection.



### WHAT EXACTLY CAN BE A TRADE SECRET

SOMETHING THAT

- 1 is not publicly known
- 2 has commercial value
- 3 you took measures to keep secret

expressions of ideas

know-hows, manufacturing or design techniques

status of products or services under development

valuable business information, lists, cost and price information

**TRADE SECRETS**

### KEEP IT SECRET, KEEP IT SAFE

It is important to remember that once trade secrets become publicly known, they can no longer be protected as trade secrets.

**CONFIDENTIAL**

#### DON'T FORGET YOUR EMPLOYEES

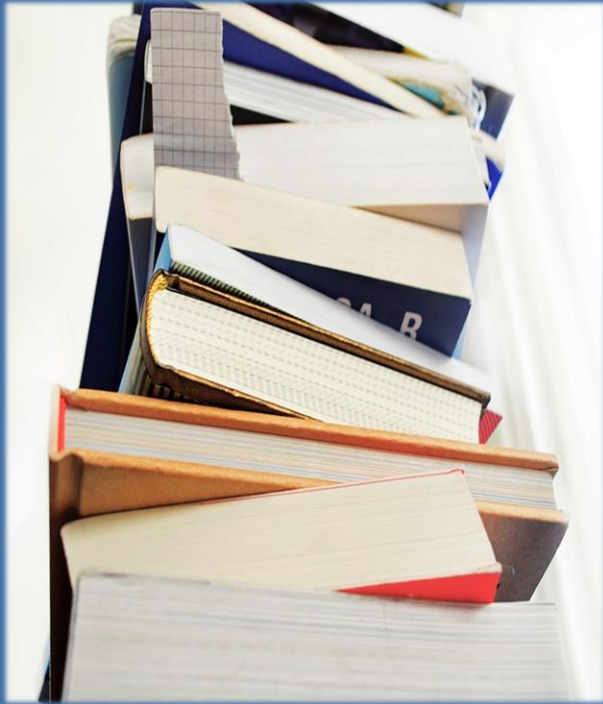
- Limit access and copying rights to the personnel who actually need it.
- Require all employees to sign an employment agreement with strict confidentiality provisions.
- Be sure to hold exit-interviews and have them return documents, materials, computers, and files.
- Establish an internal management system for trade secrets. Training and clear written guidelines are essential.

### DEALING WITH THIRD PARTIES

Business dealings or negotiations with third parties, potential partners, suppliers, contractors, licensees, or customers

**monitor** your partners, suppliers or licensees to make sure they are complying with your trade secrets protection policy

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- 01 Introduction to trade mark protection
- 02 Trade mark protection
- 03 Trade mark registration
- 04 Licensing
- 05 Enforcement

# 01

## What is a trade mark?

### IPR Trade mark

- Company name
- Product name
- Logo

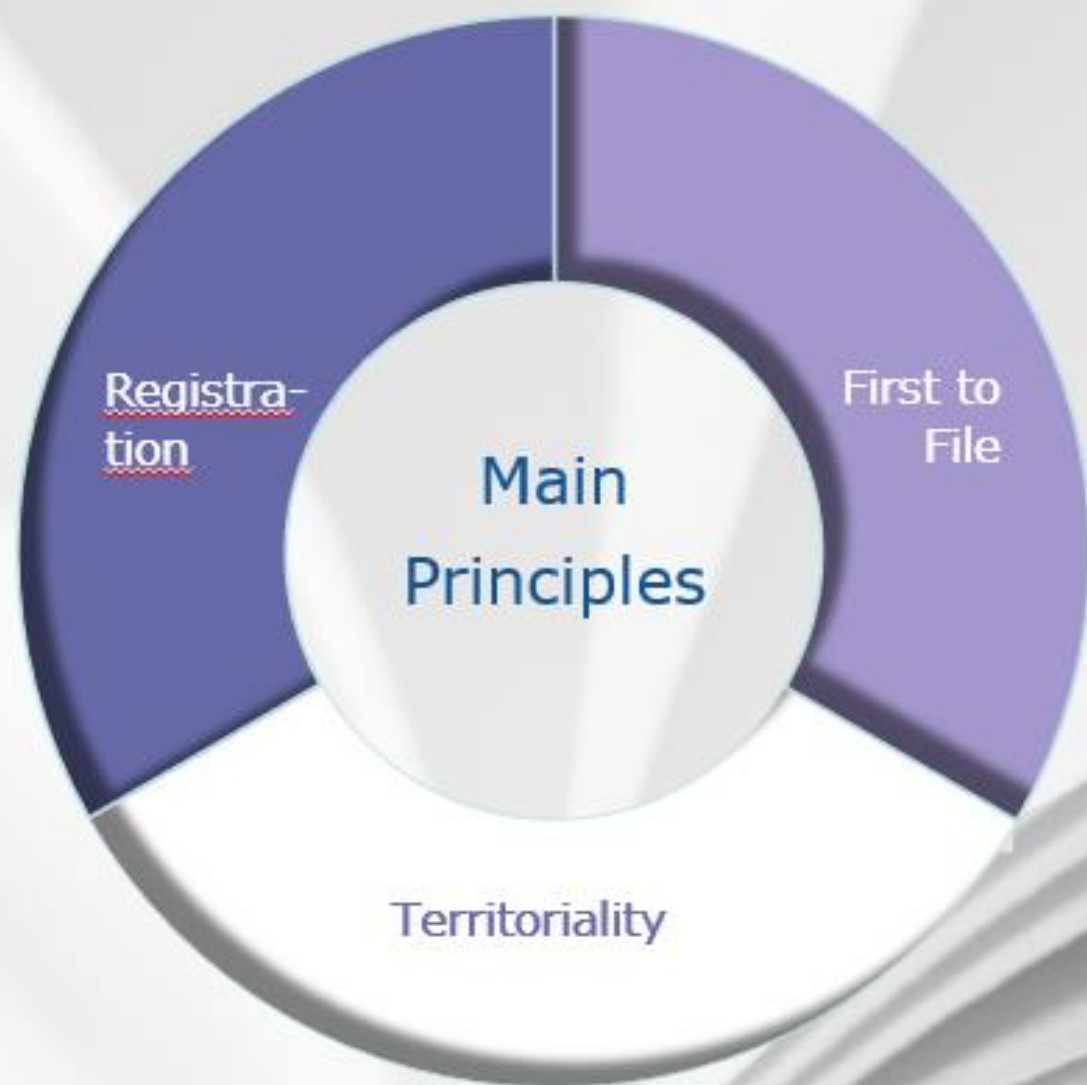
### IPR What exactly?

- Alphanumeric
- Drawings
- 3D shapes
- Sounds

### IPR Classes and sub-classes

- Nice classification
- Chinese sub-classes





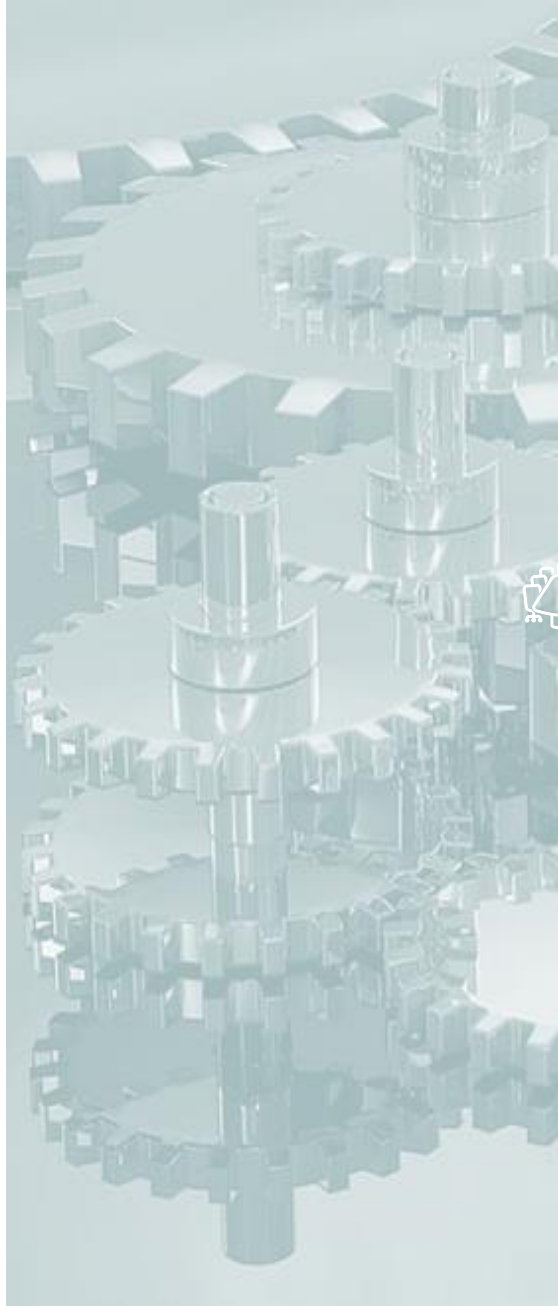
# 02

## Trade Mark Protection - Typical steps



### Before the registration:

- Conduct a trade mark search
- Define how the trade mark will be registered (logo, words, combination of both)
- Define classes and sub-classes
- Prepare the documents (application form, power of attorney, identity documents like passport or company certification)



### Registration process

- Formal examination
- Substantial examination
- Publication
- Oppositions?
- Grant



### After the registration

- Surveillance





# Case study - Chugai vs. Haihe

- first pharmaceutical patent linkage lawsuit

In November 2021, the Beijing IP Court received the first pharmaceutical patent linkage lawsuit in China.



## Problem

Japanese Chugai, is the market authorisation holder of the listed patented drug "Eldecalcitol Soft Capsule", and owns Chinese invention patent entitled "ED-71 preparation" with the patent number

## Solutions

- Bad-faith registration of
- Campaign to alert the public of this event



# 03

## Trade mark registration

# Before - Studying the market



### 3.1

#### Trade mark search

- CNIPA
- TM View

### 3.2

#### What to look?

- Similar trade marks
- Distinctiveness

### 3.3

#### Cases

- Same trade marks in different classes
- Same trade marks in same class, but different sub-classes
- Trade marks with the same meaning but different language

# 03

## Trade mark registration - How to start?



REGISTRATION

### 3.4

#### Main channels of registration

- CNIPA
- Madrid System

### 3.5

#### Steps

- Application
- Formal examination
- Substantial examination
- Publication for oppositions
- Granting

### 3.6

#### What is the best? CNIPA or Madrid System ?

- CNIPA
  - Faster
  - Choose of subclasses
- Madrid System
  - Cheaper
  - Language friendly



# Case study 2

- Madrid System or CNIPA

- Lithuanian drone company
- 1<sup>st</sup> internationalisation process
- Uncertain about the best registration method
- Expansion to China, USA, India and Japan



## Factors

- ☁ Need of registration in multiple jurisdictions
- ☁ No specialised knowledge of any of them



## Solutions



Madrid System was cheaper

# 03

## Trade mark registration - Tips



### Classes

- Protective registration



### Chinese name

- Phonetical translation
- Conceptual translation



### Other types of IP

- Design patents
- Copyright

# 03

## Trade mark registration

### - How to react to bad-faith registrations?

#### 3.7

##### Moment of discovery

- Opposition
- Granted trade mark

#### 3.8

##### Opposition

- Real chances of success
- Be careful with unsolicited alerts
- Second opinions

#### 3.9

##### First steps

- Find a lawyer
- Alert the embassy
- Alert the Helpdesk

#### 3.10

##### Granted trade marks

- Nullity due to bad faith
- Non-use cancellation action



# Case study 3

- Non-use cancellation action

- Hungarian ceramic machinery company
- Planned to enter the Chinese market
- Trade mark registered in bad faith
- The trade mark was registered 6 years ago



## Problems

- ☁ Impossible to contact the applicant
- ☁ Willing to buy the trade mark
- ☁ Without a trade mark they will be unable to enter the market



## Solutions

- ☂ Non-use cancellation action

# 03

## Trade mark registration After - Surveillance



### 3.11

#### Market surveillance

- E-commerce
- Social media
- Trade fairs

### 3.13

#### E-commerce registration

- IP protection programs
- Process – up to 2 months

### 3.12

#### Customs registration

- Free of charge
- Proactive control

### 3.14

#### Domain names & Social media

- Difference with trade marks





# Case study 4

- E-commerce

- Spanish marine equipment company
- Trade mark registered in China
- Counterfeiters' products on Taobao
- Enforcement strategy started after discovering the fake products



## Problems

- ☁ No profile created on e-commerce platforms
- ☁ No legalised documents ready
- ☁ 3 months delay for finishing the registration process



## Solutions

- ☂ Get your profile ready in advance

# 04

## Licensing

- Alternative way of trade mark exploitation

### 4.1

#### License

- Exclusive
- Non-exclusive

### 4.2

#### Advertise

- Use of your trade mark in other company's services

### 4.3

#### Ownership

- The difference between license and transfer





# Case study 5

- License as a solution

- French radio company
- Trade mark registered in China
- No business in China
- Niche fan base



## Problems

- ☁ Counterfeits in e-commerce
- ☁ No money for enforcement
- ☁ No knowledge of Chinese business environment



## Solutions

- ☂ License to infringer
- ☂ Partnership for future business

# 05

## Enforcement

- Surveillance

### 5.1

#### Traditional jurisdictions

- People's courts
- IP Courts

### 5.2

#### Customs registration

- Notification
- Legal actions

### 5.3

#### E-commerce registration

- Notice & take-down

### 5.4

#### New ways of IP protection

- Copyright & internet courts



As 'the world's factory' China has a high demand for the machinery and tools required for manufacturing on a massive scale. In particular the demand for high quality and innovative products in the mechanical engineering sector makes China a great potential market for European manufacturers. This guide will provide a general overview of the way IP protection affects European SMEs in the field of mechanical engineering in China, highlighting the inherent dangers and providing an overview of the best preventive strategies and remedies against the most common China IP challenges.

[Guide to effective protection of IPR for the mechanical engineering sector](#)

Questions?

# HELPLINE

*free, fast & confidential*

*3 days*<sup>working</sup>

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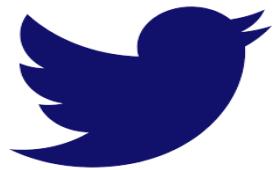
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