



Intellectual Property Best Practices in China

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Mr. Feng is a reputable **IP and data law expert with substantial experience on intellectual property law, data protection law and anti-trust law with reputable international law firm and Chinese law firms**, focusing on IP litigation and enforcement, trademark and patent portfolio management, as well as data protection and cyber security related legal practice. Mr. Feng has represented numerous foreign clients from US, EU and Japan at various levels of courts as well as administrative organs in China. Mr. Feng is particularly experienced in addressing clients' commercial needs in the areas of IP litigation, arbitration and prosecution, including patent, copyright, trademark, and domain names, unfair competition, trade secrets. He has also been involved in IP transactional work, including the drafting, negotiation and enforcement of IP assignment or licensing agreements. Besides, he also represented a number of multinationals in dealing with legal matters in relation to cyber security, personal information and data protection. As a highly regarded expert at home and abroad, Mr. Feng is currently serving as the Consultant Expert to Guiding Case Research Center of Supreme People's Court of China, Vice Director of Copyright Society of China, Standing Committee Member of China Intellectual Property Law Association, an IP Expert for EU-China IPR Helpdesk as well as a member of American Bar Association, China Bar Association and INTA.

Content

- **Basic scheme and knowledge about IP Protection in China**
- **Trademark protection in China**
- **Trademark law revision and its impact**
- **Anti Unfair Competition Law revision and its impact**
- **Patent Protection in China**
- **Proposed Patent law Revision and its impact**

Intellectual Property



- A sports shoe may be protected by several IP rights:
- [Patents](#) protect the technology used to develop the shoe
- [Designs](#) protect the “look” of the shoe
- [Trademarks](#) distinguish the shoe from similar products and protect the “reputation” of the shoe (and the company making it)
- [Copyright](#) protects any artwork and audiovisual creations used to publicize the shoe

WIPO material

Intellectual Property

Intellectual Property

- **Intellectual fruits**

Patent

Copyright

Technological secret

Per se valuable : Generated from intellectual creation ;
Use and transfer of technology and knowledge ;
Limited term, Not renewable

Patent law: Protect the functional features

- **Commercial identifier**

→ **Functionality**

Trademark

Trade name

Trade dress

Domain name

Trademark Law; Protect the non-functional and distinctive features

Value is with its owner; Generated from the increase of goodwill of owner; relevant to commercial order ; No limit to term; Renewable

Intellectual Property

Category of Intellectual Properties

Commercial Identifier	Trademark	Trade name	Trade dress		Domain -name
Intellectual Fruits	Patent	Copyright		Trade secret	

Trademark

1. Applications – What can be a trademark ?



How about this?



Nestle



Coca-Cola



Yokult

•

Main Problems

- TML Article 30 Where a trademark to be applied for registration is in nonconformity with the relevant provisions of the Law, or it **is identical with or similar to the trademark** of another person that has, in respect of **the same or similar goods**, been registered or preliminarily approved, the Trademark Office shall refuse the application without announcement.
- Article 31 Where two or more applicants apply for the registration of **identical or similar trademarks** for the **same or similar goods**, the preliminary approval and the announcement shall be made for the trademark that was first filed. Where applications are filed on the same day, the preliminary approval, and the announcement shall be made for the trademark that is used the earliest, and the applications of the others shall be refused without announcement.

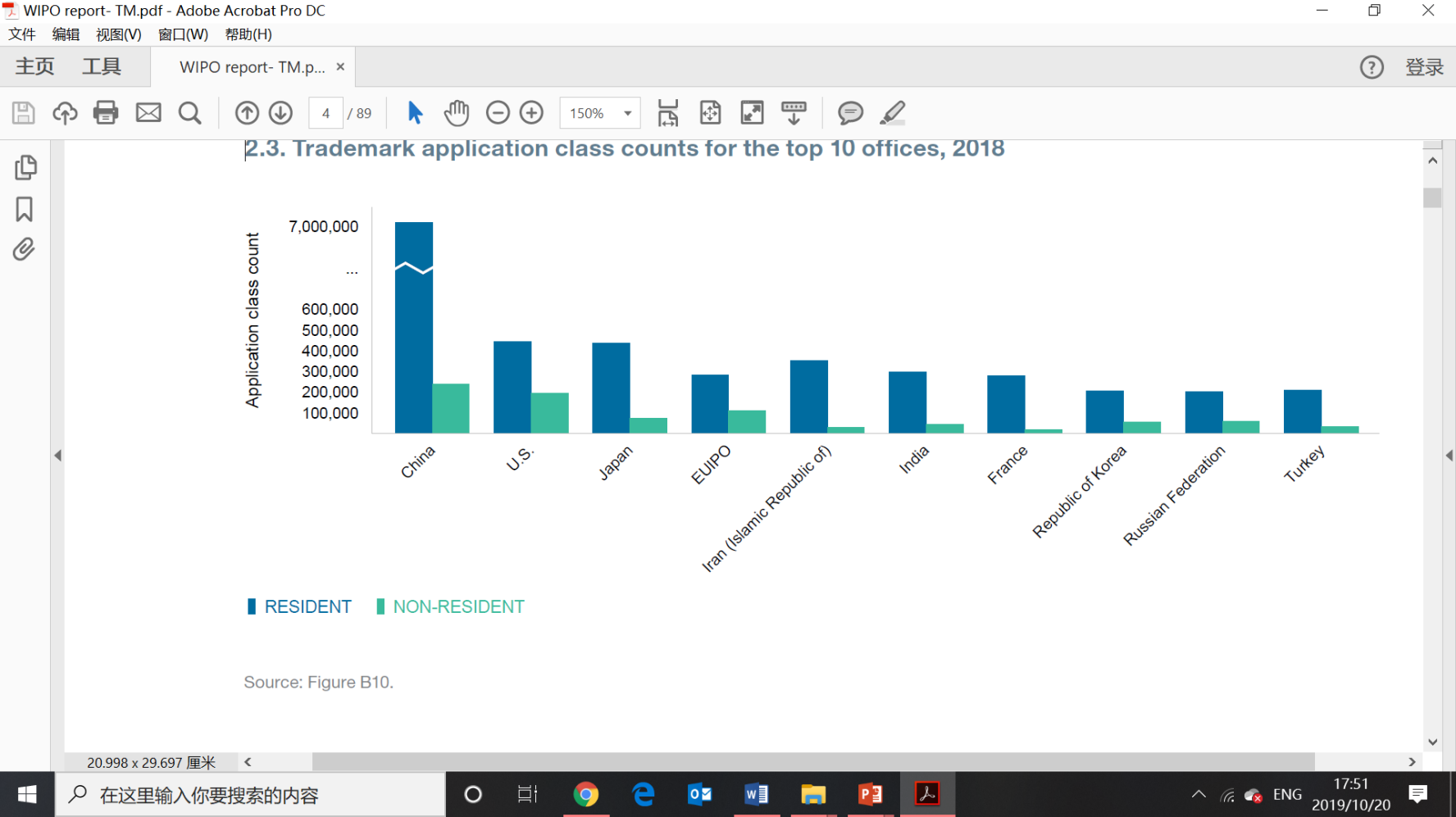


First-to- file
Principal

Increase of TM filings in China



Increase of TM filings in China



Main Problems

- Virulent piracy at register

- In 2018, the total number of trademark applications in the country reached 7.3 Million and 23 % increase in comparison to 2017.

WIPO: The office of China's class count of almost 7.4 million was followed by a count of 640,181 at the office of the U.S. These have been the two top offices since the early 2000s, but since 2006 China's class count has grown from about twice that of the U.S. to almost 12 times as much, due in large part to the high number of trademark applications filed by Chinese residents in China. These two offices were followed by that of Japan (512,156), the European Union Intellectual Property Office (EUIPO) (392,925) and that of the Islamic Republic of Iran (384,338).

- Total number of valid registrations with CTMO presumably exceeded 30 Million.
- Presumably a large portion of them are pre-emptive registrations/pirates

Best Practice: TM Acquisition

- PRC = priority country for filing
 - Even if no local distributions in plan
- Avoid infringing others
 - Protect your ability to produce for export
- Prevent pre-emptive registrations
 - Seeking forced marriages
 - Seeking serious compensation for sale of marks

Trademarks – subject matter

What can be trademarked ?



Subject Matter

Article 8

Any **sign** that **distinguishes** the goods of a natural person, legal person, or other organizations from those of others, including any word, device, letter, number, three-dimensional sign, color combination, sound and combination thereof, may be registered as a trademark.

Visible + Sound mark (audible) = Perceptible

CHRISTIAN LOUBOUTIN v. TRAB

The mark related to **solo color mark being used in fixed position**. Although TRAB quoted Article 11.1.3 to make its decision on basis of lack of distinctiveness, the pre-condition in making such decision is that the applied mark is a qualified subject matter. The Article 8 did not preclude the mark as an qualified subject matter, nor has the TRAB found the mark as an unqualified subject matter. Therefore the TRAB should remake its decision according to the evidence submitted in the first and second instance.



Distinctiveness

Distinctiveness *Trademark Law of China*

Article 9 The trademark applied for registration shall have distinctive characteristics for identification, and shall not conflict with the prior legitimate rights of others.

Article 11 The following signs shall not be registered as trademarks:

1. Marks that only bear the generic names, devices, or model numbers of the goods; (Non-generic)
2. Marks that simply indicate the quality, main raw materials, function, use, weight, quantity or other features of the goods;
3. Marks that lack distinctive characteristics. (Non-descriptive)

The signs referred to in the preceding paragraph may be registered as a trademark where it has acquired distinctiveness through use and is readily distinguishable.

Trademarkability

Intrinsic distinctiveness



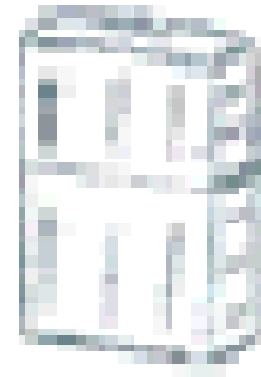
Acquired distinctiveness



Intel
sound



John Deer
color shape
Non- Traditional Mark



ZIPPO

Acquired distinctiveness



Acquired distinctiveness



Three-dimensional trade marks

- Non- Functionality

Article 12 Where a three-dimensional sign is applied for registration as a trademark, application shall be rejected if the three-dimensional sign merely indicates the shape inherent in the nature of the goods concerned or if the three-dimensional sign is only dictated by the need to achieve technical effects or the need to give the goods substantive value.



Acquisition

1. Application and Class

- One Application , One class
- One Application , Multiple class

2. Classification

- Nice Classification (Vol. 10)
- Trademark Office – Classification List

45 classes of goods/services



Acquisition

3. Retail services and Class 35

Wanse v. TRAB Beijing High Court (2016 Jing Xing Zhong No.117)

The evidence submitted by trademark registrant can prove that the mark has been put into use at a trademark sense. However, major objective of the Class 35 as specified in Classification for trademark registration in goods and services is to “provide assistance to the operation and management of commercial enterprises.” or “assist in business activity or administration of business function, which particularly does NOT include “**the enterprises that principally perform the function of distribution**”.

Acquisition

Unsolved issue

- Absence of class of services available for registration with respect to commercial distributors (supermarket, department store, etc.)
- Class 35 is not appropriate for them

What should we do ?

3501;3502;3503;3504;3505;

3506;3507;3508;3509;

Advertisement, commercial information,

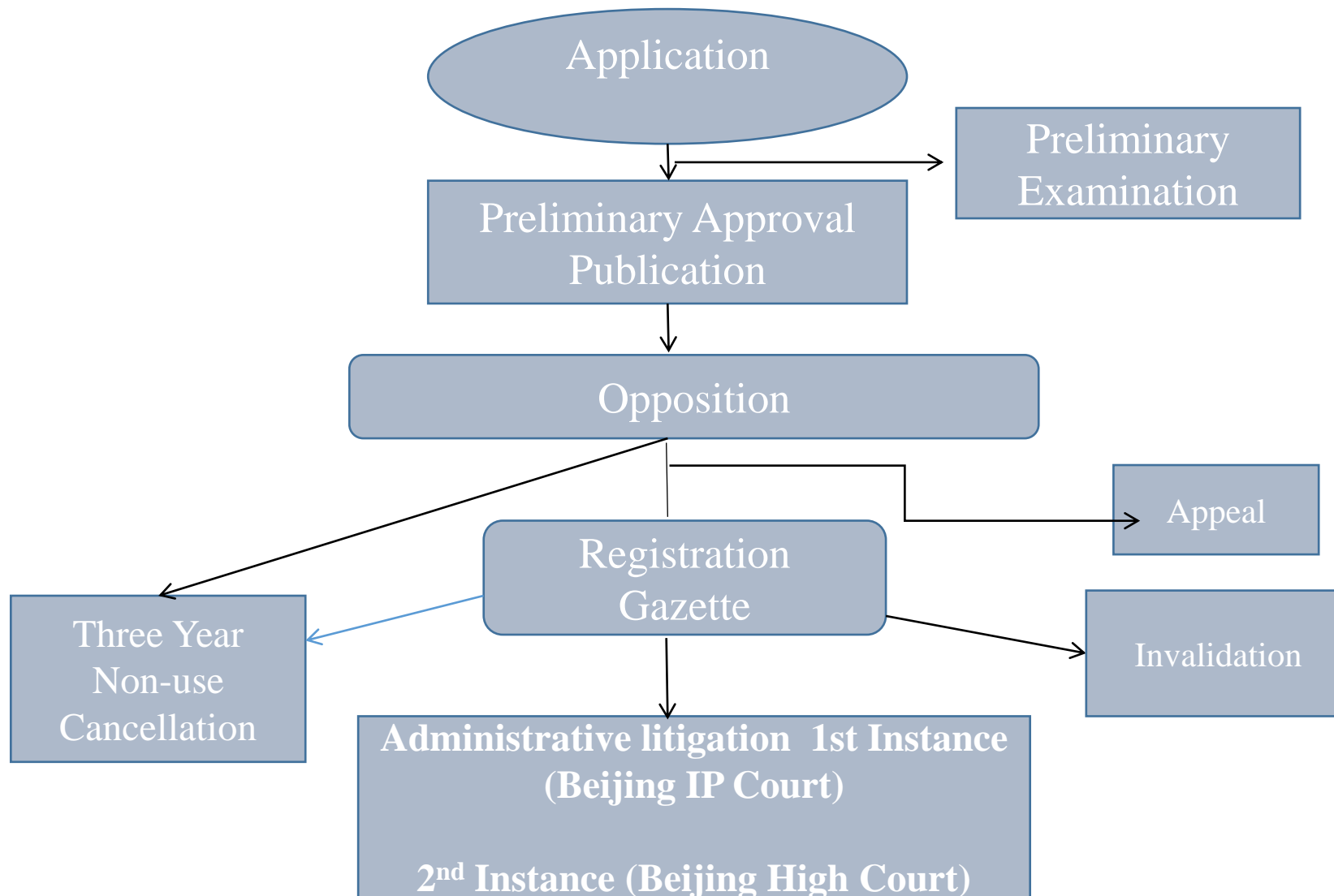
providing online market for transaction, etc.,

Enforceable ? Challengeable ?

The image shows the word "WALMART" in a bold, black, sans-serif font. The letters are slightly shadowed, giving it a three-dimensional appearance. The logo is positioned to the right of the text describing the services.

Reg. No. 17765282

Procedure



Best Practice : TM Acquisition

Clearance search: current portfolio vs. Business needs

- The main brands in China and the application/registration status
- The trademarks used in China but not registered
- The trademarks registered in China but not used
- The application/registration of defensive trademark
- The trademarks used in other countries but not registered in China
- The trademarks facing serious duplication and imitation

Best Practice : TM Acquisition

- Search the register to identify problems
- Best practices in searching:
 - TMO operates free online database:
<http://sbj.saic.gov.cn/sbcx/>

Best Practice : TM Acquisition

Full coverage and defensive registration

- Applications for all sub-brands if feasible
- Broader specification of goods/services-----China adopts subclass classification
- Chinese translation of the mark
- Defensive applications for key brands
- Applications to block potential exportation from China

Best Practice : TM Acquisition

Combination or individual?

MR. MUSCLE

威猛先生



Individual Trademark (Latin/Chinese/Device)	Combination Trademark
Less obstacles and earlier registration date	More obstacles (separate examination)
More flexible in use (together with other trademarks)	Split use brings risk of challenge
Disadvantage in judging trademark similarity with combination trademarks	Advantage in fighting against combination trademark
Advantage in fighting against individual trademark (trademark counterfeit)	Disadvantage in fighting against individual trademark
Lower risk of non-use cancellation	Higher risk of non-use cancellation

Best Practice : TM Acquisition

- Remove potential issues
 - Investigation on use of prior trademarks to evaluate the chances of removing the obstacles by filing non-use cancellation;
 - Negotiating trademark assignment in case of lack of legal means:
 - Using third party to approach the targets;
 - Ensuring the assignment in line with China Trademark Law
 - Never disclosing commercial project before obtaining the assignment approval from Trademark Office.

Best Practice : Subject Matter

- English marks
- Chinese-language marks
 - A must
 - Select early
 - Search and file

Logos

- Labels, 3-D marks, product designs

Best Practice : TM Prosecution

- Search TMO database every 6-12 months
- Also subscribe to global monitoring service
- File oppositions
 - Cheap, as long as there aren't too many!
- Investigate applicants to verify use / bad faith
- Assess benefits of buying marks from pirates
- Best practices in negotiating

Best Practice : TM Prosecution

Remove pre-emptive registrations

- Filing non-use cancellation;
- Negotiation trademark assignment as last resort:
 - Due diligence;
 - 3rd party to approach the target;
 - Assignment compliance with China Trademark Law
 - Confidentiality

Best Practice : TM Prosecutions

Active opposition/Invalidations against pre-emptive application/registrations.

Relative ground (Five years of statute of limitation)

- **Prior rights (A 33.1 of TML)**
Copyrights (Logo), Trade names, Personal name of celebrities, Design patent(Logo)
- **Unregistered famous mark with certain influence (A 33.2)**
Prior use of the mark and influence within PRC required
- **Prior Agent-Principal relationship (A15)**
Very useful

Absolute ground

- **Unhealthy influence Public order and public interest (A 10.1.8)**
- **Numerous pre-emptive registrations (A 44)**
- **Principle of honesty and trust (A 7)**

Case study

1. *IPAD* mark was registered by a Chinese subsidiary of a Taiwanese company on computer products while the Chinese subsidiary was the owner of the mark
2. APPLE INC. negotiated and signed assignment agreement with the parent company in Taiwan rather than the Chinese subsidiary.
3. The assignment **was not recorded before CTMO** and APPLE INC. launched the IPAD products in China !
4. Lawsuit and raid action initiated by the trademark owner in many cities
5. Apple settled with USD 60 Million!



注册号/申请号	1590557	国际分类号	9	申请日期	2000-01-10
申请人名称(中文)	唯冠科技(深圳)有限公司	申请人地址(中文)	广东省深圳市宝安区21,23 北		
申请人名称(英文)		申请人地址(英文)			
商标 图 样					
商 品 列 表	计算机, 计算机周边 设备, 显示屏/电 子, 电话设备, 电 信, 计算机, 电 信(摄影), 电子数据 装置, 摄像机, 电话; 表				
		类	0901 0907		
		组	0908 0909		
		群	0920 0922		
					查看详细情况...
国家公告号	776	注册公告号	788		
国家公告日期		注册公告日期			
专用权期限	2011年06月21日 至 2021年06月20日		年		
国际注册日期		国际注册日期			
优先权日期	无	代理人名称	深圳唯冠投资有限公司		
指定颜色		商标类型	普通商标		
是否共有商标	否	备注			
商标说明	查看详情				

OEM

Name of Case	Year	Courts	Conclusion	Reasoning
Nike v. Yinxing	2001	Shenzhen Intermediate	Infringing	<ul style="list-style-type: none">• Territoriality• No authorization from Chinese registrant
Jolida v. Shenda	2008	Shanghai No.1 Intermediate and Shanghai High Ct.	Not Infringing	<ul style="list-style-type: none">• Basis function of trademark is to distinguish;• No local distribution, no confusion• No performance of function of badge of origin
UGG	2011	Tsingtao Intermediate; Shandong High Ct.	Not infringing	<ul style="list-style-type: none">• OEMed mark is “UGG GRAND AUSTRALIA”, actually used mark is “UGG Grand Australia”• Chinese user did not complete the obligation of notice and check

Name of Case	Year	Courts	Conclusion	Reasoning
Pretul	2013	<ul style="list-style-type: none"> Ningbo intermediate Zhejiang High Ct. Supreme Ct. 	Not infringing	<ul style="list-style-type: none"> Products being sold to Mexico thus marks have not performed the function of distinguishment The use of mark at OEMed products is not a use at trademark sense
Dong Feng	2017	<ul style="list-style-type: none"> Changzhou Intermediate Ct. Jiangsu High Ct. Supreme Ct. 	Not infringing	<ul style="list-style-type: none"> Basic characteristic of a mark is to distinguish Complete exportation does not cause confusion at Chinese market The use of mark does NOT constitute substantial harm (Plaintiff lost its registration in destination country)
Honda Kit	2019	<ul style="list-style-type: none"> Changzhou Intermediate Ct. Jiangsu High Ct. Supreme Ct. 	Infringing	<ul style="list-style-type: none"> Use of trademark includes many steps including attachment and distribution of goods. Use at TM sense shall include all of steps. Maintain the unification of application of law. OEM shall not be excluded from infringement. TM rights in other jurisdiction or its license shall not have impact against the legitimacy of use in China

OEM

Conclusion

- **Up-to-date Supreme Ct. - Infringing**
 - Use of trademark includes many steps including attachment and distribution of goods.
 - Use at TM sense shall include all of steps.
 - Maintain the unification of application of law.
 - OEM shall not be excluded from infringement.
 - TM rights in other jurisdiction or its license shall not have impact against the legitimacy of use in China

TM Protection

- Cease and desist letter, Negotiation and Mediation
- Administrative raids
- Criminal litigation
- Civil Litigation
- Customs measure



Best Practice: TM Protection

- Detection – the earlier the better
 - Distributors
 - Online checks (e.g., Taobao.com, Tmall. JD.com,etc.)
 - Briefing multiple investigators
 - Proactive market surveys
 - Cooperation with other brand owners

Best Practice: TM Protection

- **Criminal enforcement**

- Difficult but doable
- Know the law and practice
- Invest in deeper investigations
- Invest in legal support throughout process
- Don't assume police raid is the end of the story

Best Practice: TM Protection

- **Administrative enforcement**
 - Cheap, but recognize the limits
 - Consider add-ons:
 - Civil strategies: C&Ds, civil actions
 - Criminal transfers
 - Repeat offender strategies
 - Publicity

Best Practice: TM Protection

- **Customs enforcements**
 - Record rights
 - Training for local customs
 - Supply data to customs on seizures overseas
 - Share data with other brand owners
 - Investigate source of goods

Action

Administrative - (trademark)

Pros - quick, relatively cheap, cease infringements

Cons - no compensation, local protection, limited deterrence

Criminal – (trademark, copyright)

Pros – deterrent/strong

Cons- difficult to establish/pursue - numerical standard ; local protection; uncontrollable actions by Police/PP

Civil - (all kinds of IP)

Pros- deterrence, compensation, least local protection(forum shopping)

Cons- relatively long, relatively high cost

IP Protection Campaigns

2019 revision to the Trademarks Law

- Major changes on provisions regarding **bad faith pre-emptive applications**
- Major changes on **punishment** against bad faith applicants and their agents

Provision for rejecting bad faith application and registration without intent-to-use
Provision for rejecting bad faith application and registration without intent-to-use (NITU)

New Articles of TML

Provision for rejecting bad faith application and registration without intent-to-use (NITU)

- **Article 4** *Natural persons, legal persons or any other organizations that need to obtain exclusive rights to **use trademark for their commodities or services** in the course of their manufacturing and business activities shall apply to a trademark bureau for trademark registration. **Any application for trademark registration that is malicious and is not filed for the purpose of use shall be rejected.***

Provision for rejecting bad faith application and registration without intent-to-use

Bad faith application without intent to use shall be regarded as **legal ground for opposition and invalidation**

New Articles of TML

- **Article 33** *A prior right holder or a stakeholder who holds that a preliminarily validated and gazetted trademark violates the provisions of the second and third paragraphs of Article 13, Article 15, the first paragraph of Article 16, Article 30, 31 or Article 32 of this Law, or any person who held that a preliminarily validated and gazetted trademark violates the provisions of **Article 4, 10, 11, 12 or 19.4** of this Law may raise an objection to the trademark bureau within three months from the date of gazette. Where no objection is raised during the gazette period, the trademark shall be registered, a trademark registration certificate shall be issued and the registered trademark shall be gazetted.*

Provision for rejecting bad faith application and registration without intent-to-use

Bad faith application without intent to use shall be regarded as **legal ground for opposition and invalidation**

New Articles of TML

- *Article 44.1* Where a registered trademark violates the provisions of **Article 4, 10, 11 or 12** of this Law, or the fourth paragraph of **Article 19.4** of this Law, or the registration is obtained by fraudulent means or other improper means, the registered trademark shall be invalidated by the trademark bureau; any other organization or individual may request that the trademark review and adjudication board declares the said registered trademark invalid. ◦

Provision for rejecting bad faith application and registration without intent-to-use

What has been changed ?

1. Requirement of the intent to use of the mark as a principle

2. Bad faith application without intent to use is regarded as an absolute grounds in opposition examination

Opposition (Art 33)

- Article 4 which requires **intent to use** (“ITU”)
- Article 19 which prohibits the application by a **trademark agent out of scope of its service**, as absolute grounds for rejection decision in opposition procedure. As a result, any person, without restriction to the relevant parties, are authorized to file the opposition accordingly.

Invalidation(Art 44)

- Article 4 which requires **intent to use** (“ITU”)
- Article 19 which prohibits the application of mark by a trademark agent out of scope of its service, as absolute grounds for such invalidation. As a result, any person, without restriction to the relevant parties, are authorized to file invalidation accordingly.

TMO/TRAB Trademark Examination Guidelines (A44)

Article 44.1 of Trademark Law: where a registered trademark,is **obtained by** fraudulent means or **other improper means**, the registered trademark shall be invalidated by the trademark bureau; any other organization or individual may request that the trademark review and adjudication board declares the said registered trademark invalid.

2.2 of TMO/TRAB Trademark Examination Guidelines

Trademark registration obtained by other improper refers to such cases that there are sufficient evidence materials proving that the applicant of the trademark has conducted other improper means other than fraudulent means that may disturb the administration of trademark registration, bring harm to the public interest, waist the public resources improperly or obtained illegal interests by other improper means and therefore violates the principle of honesty and bring harm to public interest. As to the cases that may bring harm to specific civil interest, it should be subjected to the Article 45 and other corresponding Articles of Trademark Law.

Beijing High Court Trademark Examination Guidelines 2019.4 (A44)

2.2.1 It should be regarded as “registrations obtained by other improper means” under the following circumstances: (A44)

- (1)The applicant of the disputed mark has filed multiple applications/registrations that may constitute same or similar marks to the trademarks of others with high distinctiveness.
- (2)The applicant of the disputed mark has filed multiple applications/registrations that may be same or similar to the trade name , name of company or organization, unique name, package or decoration of well-known commodity of others;
- (3)The applicant of the disputed mark has filed applications/registrations in large scale without the intention to use;**
- (4)Other circumstances that may constitute “registrations obtained by other improper means”.

2.2.2 It shall be regarded as without the intention to use, in the case that the *applicant of the disputed mark, after registration of the disputed mark, does not use or prepare to use the disputed mark and only tries to sell the disputed mark to others, or forces others to enter into cooperation, or demands high price, royalty or damages of the disputed mark, in order to obtain illegal interests.*

2019 Beijing High Court Trademark Cases Guidelines (2019.4)

7.1 Application of **Article 4** of the Trademark Law

If any trademark applicant obviously lacks the true intention of use and is under any of the following circumstances, this applicant may be determined to violate the provisions of Article 4 of the Trademark Law:

- *Apply for registrations of the marks identical with or similar to those marks with certain famousness and relatively high distinctiveness that are belong to various entities, which is held as in serious circumstance.*
- *Apply for registrations of the marks identical with or similar to those marks with certain famousness and relatively high distinctiveness that are belong to various entities, which is held as in serious circumstance.*
- *Apply for registrations of the marks identical with or similar to other commercial signs than marks, which is held as in serious circumstance.*
- *Apply for registrations of the marks identical with or similar to famous name of place, scenic spot, building and others with certain famousness, which is held as in serious circumstance.*
- *Apply for registrations of the marks at large amount without appropriate reasons.*

Where the trademark applicant mentioned above claims that it has true intent to use while fails to provide evidence, the claim shall be dismissed.

Applaudable Progress

Increased Punishment against infringer

- *Article 63 The amount of damages for infringement on the exclusive right to use a trademark shall be determined based on the actual loss suffered by the right holder as a result of the infringement; if it is difficult to determine the actual loss, the amount of damages may be determined according to the proceeds gained therefrom by the infringer, if it is difficult to determine both the loss of the right holder and the proceeds gained by the infringing party, the amount of damages may be reasonably determined by reference to the multiples of the trademark royalties. Where an infringer maliciously infringes upon another party's exclusive right to use a trademark, in the case of serious circumstances, **the amount of damages may be determined as not less than one time but not more than five times** the amount that is determined according to the aforesaid methods. The amount of damages shall cover the reasonable expenses paid by the right holder for stopping the infringing act.*
- *Where it is difficult to determine the actual loss suffered by the right holder as a result of the infringement, the proceeds gained by the infringer from the infringement or the royalties of the registered trademark concerned, the people's court shall render a judgment awarding damages in an amount not more than **RMB five million** based on the circumstances of the infringing acts.*

Anti- Unfair Competition Law

Article 9 Business operators shall not commit the following infringement of commercial secrets:

- (1) obtain the commercial secrets of a rights holder through theft, bribery, fraud, coercion, **hacking** or other improper means;
- (2) disclose, use or allow others to use the commercial secrets of a rights holder obtained through the aforesaid means;
- (3) violate confidentiality obligation or violate a rights holder's requirements on keeping confidentiality of commercial secrets, and disclose, use or allow others to use such commercial secrets they obtained; and
- (4) instigate, induce or assist others to violate confidentiality obligation or to violate a rights holder's requirements on keeping confidentiality of commercial secrets, so as to disclose, use or allow others to use the commercial secrets of the rights holder.**

Natural persons, legal persons and non-legal persons other than business operators committing any of the illegal acts stipulated in the preceding paragraph shall be deemed to have infringed upon commercial secrets.

Overview of Technological Secret Protection in China

“Trade secret” in this Article means *technical information* and *commercial information* which is **unknown** to the public, which is capable of bringing **economic benefits** to the owner of rights, which has practical applicability and which the owner of rights **has taken measures to keep confidentiality.**

- Secrecy - Unknown to public
- Economic benefits
- Confidential measures

Overview of Technological Secret Protection in China

Source of Laws

- Anti-unfair Competition Law(2019)
- Several Regulations concerning the Prohibition to the Violation of Trade secret issued by State Administration for Industry and Commerce (1998)
- Judicial Interpretation on Application of Law concerning Trial of Unfair Competition Cases issued by Supreme People's Court (2007)

Anti- Unfair Competition Law

Protection of Trade dress and trade name

Article 6 Business operators shall not commit the following acts to mislead others to misidentify their goods as others' goods or to associate their goods with others:

- (1) Unauthorized use of signs which are identical or similar to the name, packaging, decoration etc. of other's goods that are influential;
- (2) Unauthorized use of other's influential name of enterprise (including abbreviation, trade name etc.), name of social organization (including abbreviation etc.) and name of a person (including pen name, stage name, translated name etc.);
- (3) Unauthorized use of main part of other's domain name, website name, web page etc that are influential; or
- (4) any other acts which can mislead others to misidentify their goods as others' goods or to associate their goods with others.

Anti- Unfair Competition Law
Protection of Trade dress and trade name

Article 6 Business operators shall not commit the following acts to mislead others to misidentify their goods as others' goods or to associate their goods with others:

(1) Unauthorized use of signs which are identical or similar to the name, packaging, decoration etc. of other's **goods that are influential**;

Trade dress/ product name infringement

- Famousness of products
- Distinctiveness of packaging or decoration (shape, design) or the product name (unregistered sub-brand)
- Non-functionality
- Similarity b/t original decoration/packaging/name and infringing ones
- Likelihood of confusion, other factors on bad faith, etc.

Protection of Trade dress and trade name

(2) Unauthorized use of other's influential **name of enterprise** (including abbreviation, house name etc.), name of social organization (including abbreviation etc.) and **name of a person** (including pen name, stage name, translated name etc.);

- Prior use of the name (mostly distribution and advertisements)
- Famousness of the name
- Similarity between original and infringing names
- Likelihood of confusion ; other bad faith factors

Protection of Trade dress and trade name

(3) Unauthorized use of main part of other's domain name, website name, web page etc. that are influential;

- Prior use of the domain name
- Famousness of the domain name/website name/web pages
- Similarity between original and infringing domain name/website name/web pages
- Likelihood of confusion, other bad faith factors

CASE STUDY

L'ORÉAL VS. LOIYIR

- L'Oreal registered trademark “L'Oreal 莱雅 (Chinese translation of L'Oreal)” in class 3
- Shanghai MILENE produced “LOIYIR” skin care products, with the confusing propaganda “Supervised by Hangzhou L'OIYIR Cosmetic Co., Ltd. (杭州欧莱雅化妆品有限公司监制)” used on the package
- Hangzhou L'OIYIR promoted “LOIYIR” skin care products on its website
- We filed complaint to Shanghai AIC, which determined trademark infringement and imposed a fine of RMB 400,000 on Shanghai MILENE
- We purchased “LOIYIR” samples with notarization
- We lodged civil litigation against Shanghai MILENE and Hangzhou L'OIYIR and Nantong Intermediate Court ordered the defendants to cease trademark infringement and pay in total the damages of RMB 500,000, the highest compensation limit stipulated by the

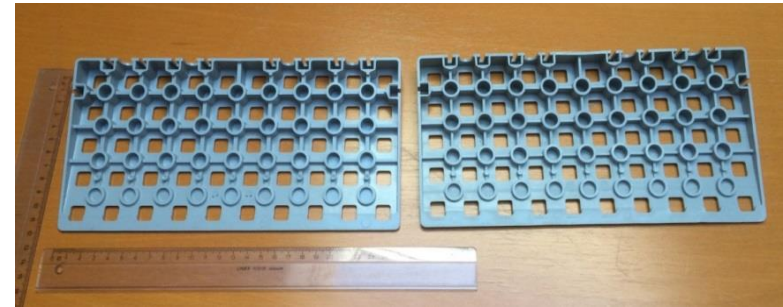
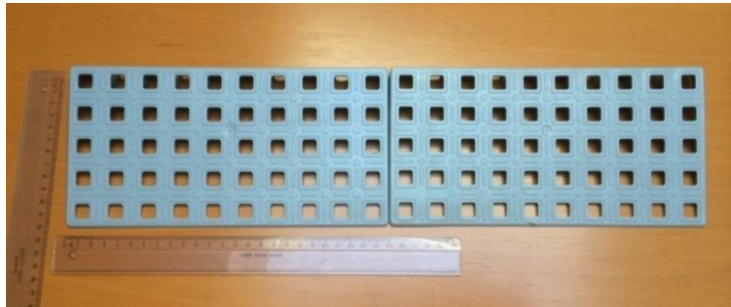


CASE STUDY

- Infringement
 - The registration of domain names containing trademark Zippo
 - The prominent use of the trademark on the website
 - Both domains indicating same website



Distinctive decoration/Trade dress
Protectable under Anti- Unfair Competition Law



Take-away note for IP Protection/litigation in China

- Application and registration and customs recordal for IP(especially trademark and patent) this the most important and fundamental thing to do as first step
- Engage lawyers and local sales person in China to monitor physical market, cyber market, trademark/patent gazette
- Know your competitors/enemies and monitor them.
- Find reasonable courts for lawsuits, Courts in large cities, Beijing, Shanghai, Guangzhou, Shenzhen, Wuhan, Changsha, etc. are generally more experienced and knowledgeable on IP and suitable for litigation.
- Find experienced lawyers, experience is very important. (10 years or more)
- Pay attention to and take full advantage of those IP campaigns in China
- Pay attention to the change and new trend of IP policies.

QUESTIONS?

HELPLINE

free, fast & confidential

3 ^{working} *days*

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**CHINA
IP SME HELPDESK**

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