

Kangxin Partners PC

The evolution of Chinese legislation on well-known marks

China has gradually enhanced the protection of well-known marks, but brand owners need to ensure that they file for recognition when entering into legal action

According to the related laws and regulations, a 'well-known' trademark in the Chinese jurisdiction refers to a trademark that is widely known to the relevant sectors of the public and enjoys a relatively high reputation in China (for the purposes of this article, the term 'trademark' refers to both trademarks and service marks, and the term 'goods' includes goods and services).

Over the last two decades, laws and regulations relating to well-known trademark recognition in China have been formulated and amended, and legal practice has been improved. Gradually, China is enhancing its protection of well-known trademarks.

Trends in well-known trademark recognition

In previous years, the competent authorities were quick to recognize well-known trademarks. However, recently practice has shifted towards the passive recognition of trademarks as well known on a case-by-case basis, upon the application of the trademark holder.

Pursuant to the related provisions of trademark law and legal practice, well-known trademarks enjoy stronger protection than other trademarks when disputes arise between trademark owners. The protection afforded to well-known trademarks is highly prized – well-known status is referred to as being 'awarded' – and an increasing number of trademark owners are applying to have their trademarks recognized as well known.

Competent authorities

Well-known trademarks can be recognized as such through either administrative recognition or judicial recognition.

The former is handled by the Trademark Office (TMO) and the Trademark Review and Adjudication Board (TRAB); the latter by the courts.

In April 2009 the Administration for Industry and Commerce (AIC) – which supervises the TMO and TRAB – issued the Rules for the Recognition of Well-Known Trademarks.

Subsequently, the Supreme People's Court issued the Interpretations of the Supreme People's Court on Several Issues Concerning the Application of Law to the Trial of Cases of Civil Disputes over the Protection of Well-Known Trademarks. The above rules and interpretations further clarified the recognition criteria, the steps to be taken in the recognition process and other related issues in administrative procedures (ie, administrative recognition) and in litigation (ie, judicial recognition).

Administrative recognition by TMO and TRAB

Upon the trademark owner's request, the TMO and TRAB may recognize a trademark as well known in three distinct scenarios:

- during administrative action against infringers;
- during trademark opposition proceedings; or
- during review of a trademark opposition procedure or trademark cancellation procedure.

Administrative action against trademark infringers

A trademark owner may apply for recognition of its trademark as well known before the AIC at municipal level. Such applications are then reviewed by the TMO. Registered trademark owners in China seeking to prevent another party from using an identical or similar trademark in relation to goods which are dissimilar to their own may request that the AIC forbid such use. Non-registered trademark owners may also apply to the AIC to prevent the use of a similar or identical trademark in

conjunction with goods that are identical or similar to theirs. In both scenarios, the request must be accompanied by an application for recognition of the trademark in question as well known. If such recognition is achieved, the above-mentioned infringements will be legally forbidden.

Registered trademark owners in China seeking protection against an unauthorized third party using an identical or similar trademark in relation to goods which are identical or similar to their own may request that the AIC Office forbid such use without needing to apply to have their trademark recognized as well known.

Trademark opposition proceedings

Registered trademark owners in China wishing to prevent another party from registering an identical or similar mark in relation to goods which are dissimilar to their own may request that the TMO reject such registration.

Such a request must be accompanied by an application for recognition of their mark as well known. If the TMO recognizes the trademarks owner's mark as well known and it is proved that the other party's mark would mislead the public and prejudice the trademark owner's interests, registration will be rejected by the TMO.

Registered trademark owners in China wishing to prevent another party from registering an identical or similar mark, in relation to goods which are identical or similar to their own, may request that the TMO reject such registration without needing to apply to have their trademark recognized as well known.

Review of trademark opposition procedure or trademark cancellation procedure

Trademark owners may apply to the TRAB to have the registration of another party's

trademark cancelled. A request to cancel the registration of a trademark must be made within five years of the mark's original registration. However, this five-year limit does not apply where the trademark owner can file successfully for recognition of its trademark as well known as part of the cancellation procedure and prove that the mark that it wishes to have cancelled was registered in bad faith.

Judicial recognition

In civil litigation, if the plaintiff deems that another party's use of a trademark, trade name or domain has infringed its trademark rights, it may request the courts to recognize its trademark as well known. The court requirements regarding the claimant's trademark and that used by the suspected infringer and the designated goods are almost identical to those for taking AIC action.

The competent authorities will take the following into account when deciding whether a trademark is well known:

- the reputation of the trademark among the relevant public;
- the duration for which the trademark has been used;
- the duration, extent and geographical scope of the advertisement of the trademark;
- previous occasions on which the trademark has been recognized as well known; and
- any other factors relevant to the reputation of the trademark.

The following supporting documents submitted by trademark owner to the authority may be relevant:

- survey evidence concerning the degree of knowledge or recognition of the trademark in the relevant sector of the public;
- publications concerning the duration of use of the trademark, including those relating to the history and scope of use and registration of the trademark;
- documents detailing the duration, extent and geographical scope of promotional activities undertaken in order to advertise the trademark;
- records of the successful enforcement of rights in the trademark, including documents certifying that the trademark in question was previously protected in accordance with its status as well known in China or another country or region; and
- other evidence showing that the trademark is well known, including



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records of the last three years' output, sales volume, sales income, profits and tax and sales regions.

When applying for recognition of well-known status, the trademark owner should provide as much information as possible in as much detail as possible.

Furthermore, in light of the above factors, trademark owners should consider keeping all of their relevant marketing and advertising documents on file and collecting relevant media reports which refer to their mark.

This is good practice in relation to planning the promotion of the trademark and will also facilitate the collection and preparation of evidence for any future claims in relation to the trademark.

Comment

Recognition of a trademark as well known affords it a high level of protection. As such, recognition is treated as though it were an 'award'. The competent authorities determine whether a trademark is well known on the basis of case-by-case analysis. However, once a trademark has been recognized as well known by a competent authority, the trademark owner may cite this earlier recognition in subsequent AIC actions, arbitration and litigation related to the trademark, in order to afford it enhanced protection.

Therefore, it is important for trademark owners to keep in mind the need to have their marks recognized as well known and to file for recognition when entering into legal action before the AIC or the courts relating to their trademark. [WTR](#)