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Trade dress by another name

Current legislation in China is generally sufficient to protect trade dress, but improvements are needed to clarify the scope of protection afforded to shapes and appearance

China has established a package of laws to protect design and trade dress, including the Patent Law, Trademark Law, Copyright Law and Anti-unfair Competition Law.

Article 2 of the Patent Law states:

“Designs shall mean, with respect to a product, new designs of the shape, pattern, the combination thereof, or the combination of the colour with shape and pattern, which create an aesthetic feeling and are fit for industrial application.” While the law protects a product’s visual packaging and certain design elements, there is no specific mention of trade dress.

Nevertheless, China does provide trade dress protection through other laws, particularly the Anti-unfair Competition Law. Article 5.2 of the Anti-unfair Competition Law states: “No business operator may use the following unfair means to engage in market transactions to the extent of causing damage to its competitors... (2) Using the name, packaging, or decoration unique to a well-known product without authorisation, or using any name, packaging, or decoration similar to that of a well-known product, thereby creating confusion in distinguishing the product concerned from another’s well-known product and causing the purchasers to mistake the product for the said well-known product.”

According to many Chinese academics, ‘trade dress’ should be defined as the entire appearance of a product formed by particular elements related to its appearance, shape, colour or a combination of the three. While the Anti-unfair Competition Law does not specifically refer to the term ‘trade dress’, it does mention the protection of packaging and decoration of goods, including their appearance, shape, packaging, decorative words, colours and pictures. This applies not only to goods, but

also to services. Moreover, according to the Interpretation of the Supreme People’s Court on Several Issues Concerning the Application of Law in the Trial of Civil Cases Involving Unfair Competition, the layout and decor of a place of business, and the uniforms of staff, may serve to create an overall business image and unique style which may constitute a ‘decoration’ – under Article 5.2 of the Anti-Unfair Competition Law – and thus qualify as trade dress.

Judicial practice

Trade dress itself is divided into two main classes – the appearance of a product, which may relate to design and be protected under the Patent Law; and packaging and decoration, provided that such trade dress can adequately identify the origin of the goods or services, which is protected by Article 5.2 of the Anti-unfair Competition Law. The key issue is determining what level of protection is available and the relationship between a design patent and other trade dress.

The concept of decoration can be very wide. Where the shape or appearance of the product is identical or similar to that of other goods, trade dress protection under the Anti-unfair Competition Law may be available.

The Chinese courts saw few cases related to trade dress until 2010, when the Supreme People’s Court granted a civil ruling in Case 16/2010, now considered to be a landmark decision on trade dress. The court clarified two specific issues. First, the configuration of a product which is subject to an expiring design patent is protected under the Anti-unfair Competition Law. Where a product has been granted a design patent and that design patent has expired, the design will not merely become part of the public domain, but rather will be protected by the Anti-unfair Competition Law if certain

requirements are met. Second, such product configuration will qualify for protection where the claimant proves that the configuration both has distinctive features and has acquired secondary meaning. For trade dress owners and creators, the ruling provides important guidance to protect the characteristics of a product that helps to identify the product source to consumers.

The court also clarified the scope of protected product decoration, thus enhancing understanding of Article 5.2. It held that a product’s decoration can be divided into two categories. The first category consists of “text, pattern, colour and their combinations that lie outside the product”; the second is the product configuration, which “belongs to the product itself” and includes “the whole or a portion of the exterior structure”, but excludes configuration which “solely depends on the nature of the product, is necessary to achieve certain technical effects, or constitutes the substantive value of the product”. Moreover, the court specified that if a product’s protected decoration is limited to “the text, pattern, colour and the combination thereof supplemented or attached to the product and excludes the configuration of the product, the definition of decoration will be inappropriately narrowed down”.

Conditions for protection

The protection of trade dress under the Anti-unfair Competition Law is based on the nature of identity, not the function of the product. If trade dress aims to realise some function of the product, then it cannot be protected under the Anti-unfair Competition Law. The same principle is set out in the Trademark Law: trademark registration for a three-dimensional mark shall not be granted if the shape is

generated simply by the nature of the product, required for technical effects or necessary to improve substantial value. Thus, the functional shape of goods cannot be registered and protected under the Anti-unfair Competition Law; it should rather be protected through the Patent Law and other specific legislation.

Certain issues still remain unclear, such as whether a good's shape without function can be protected as a sign of origin. Though the good's shape may not be protected under the Anti-unfair Competition Law, there is still the possibility to protect it as decoration if necessary.

The Supreme People's Court also specified two requirements for protecting product configuration. First, the configuration should have distinctive features and not simply general common designs. Second, the public must have "already associated the configuration to a specific manufacturer or provider through market use, which means the configuration has acquired secondary meaning".

Future development of trade dress protection

People sometimes complain that trade dress is difficult to obtain based only on the form of decoration, and that the scope of protection in China is narrower than that in the United States. Some also doubt whether the decoration of service or the style of a shop can be protected, because as yet there have been no court rulings on these issues. Overall, however, the prevailing view is that the laws in China are generally sufficient to protect trade dress.

That said, improvements are still needed. Specifically, the scope of protection of shape and appearance requires further clarification through court rulings. As the need grows, a specific clause or article on trade dress protection may be added to the Anti-unfair Competition Law or other related laws. [WTR](#)



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John Z Wang worked in the China Supreme People's Court for 10 years before joining Kangxin Partners PC. In August 2008, Mr Wang was appointed as a member of the leading panel of Supreme People's Court to carry out the Outline of China National IP Strategy. He was also involved in amending the Patent Law and drafting some of the IP-related judicial interpretations of the Supreme People's Court. In 2010, Mr Wang was appointed as a guest researcher for the Intangible Assets Research Centre at the China University of Political Science and Law.