

The gradual expansion of protection

Although the non-traditional marks realm remains largely unexplored in China, there is a trend towards broadening the scope of protection to include such marks

There is a wide array of identifying signs for goods and services beyond conventional words or logos. In recent years, businesses have sought broader protection for signs that are traditionally not registrable as trademarks, but are nonetheless linked to their products.

With many jurisdictions revising their trademark regimes by allowing for the registration of non-traditional marks, China has heard the call for change and recently announced that it will broaden its scope of registrable trademarks through amendments to the Trademark Law which will be enacted in 2014. However, this is not an entirely new step. In 2001 China revised its Trademark Law to allow for certain non-traditional marks and, beyond trademark laws, it has also incorporated other means of protection for such marks. Therefore, while the registration of non-traditional trademarks is somewhat limited in China in comparison to some jurisdictions, the upcoming reforms mean that trademark owners (or would-be owners) will no longer be restricted to traditional marks (ie, words and logos) and can expect to see continued and positive changes in the Chinese trademark arena.

The 2001 Trademark Law states that “any visible sign that can serve to distinguish the goods of a natural person, legal person, or other organization from those of another, including any work, design, letter of the alphabet, numeral, three-dimensional symbol and colour combination, or any combination of the above, may be made a trademark for application for registration” (Article 8). The law allows for certain non-traditional marks to be registered. However, on August 30 2013 China officially passed revisions to this law, which will be enacted on May 1 2014. Included in these eagerly anticipated

changes is further expansion of the scope of registrable trademarks. The revised Article 8 now states that “any sign that can serve to distinguish the goods of a natural person, legal person, or other organization from those of another, including any work, design, letter of the alphabet, numeral, three-dimensional symbol, colour combination, sound, or any combination of the above, may be made a trademark for application for registration”. Thus, registration will no longer be limited to visible signs, as sound marks have become available. These developments have been welcomed by both domestic and foreign entities operating in China.

Three-dimensional trademarks

A non-traditional mark that is allowed in China under both the 2001 Trademark Law and the amendments thereto is the three-dimensional trademark. Although permitted, trademark owners should bear in mind that the registration of three-dimensional marks is still subject to some limitations. According to Article 11 of the Trademark Law, a mark cannot be registered if it merely “indicates the quality, principal raw materials, function, use, weight, quantity or other features of the goods”, and where “distinctive characteristics are lacking”. However, such a mark may be registered if it has “acquired distinctive features through use and is readily distinguishable”. Article 12 goes on to discuss the limitations of three-dimensional marks, stating that “no application for registration of a three-dimensional sign as a trademark may be granted, where the sign merely indicates the shape inherent in the nature of the goods concerned, or it is only dictated by the need to achieve technical effects or the need to give the goods substantive value”. As such,

three-dimensional trademarks are not easily granted in China, and distinctiveness must be made clear in order to assure registration. However, while not easily obtained, several three-dimensional marks have been granted in China, including the Coca-Cola bottle, the Zippo lighter, Kraft’s Toblerone chocolate bar (the packaging and the shape of the chocolate bar itself), Rolls Royce’s ‘Spirit of Ecstasy’ hood ornament and Pfizer’s blue diamond Viagra pill. Protection under the Trademark Law is not the only available option for the shape and packaging of goods; brand owners can also seek protection under the Patent Law, in the form of design patents. According to Article 2 of the Patent Law, design patents are available to “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”. This means that while the Trademark Law (and the Anti-unfair Competition Law, discussed below) does not allow for the shape and appearance of goods to be protected when such appearance is functional, the Patent Law does allow for protection where the design is based on functionality. Another benefit of design patent applications is that they are not examined substantively, and therefore it is possible to register existing designs in addition to new designs. However, although registering existing designs may have certain strategic appeal, it should be noted that designs that have already been released are at greater risk of cancellation. In addition, design patents last for only 10 years, while a trademark can be renewed every 10 years, potentially conferring indefinite protection.

In addition to other traditional and non-traditional trademarks, safeguards for three-dimensional signs may be further extended

through copyright. Although copyright can be used directly to protect a commercial design or identifying sign, it is often used to supplement the enforcement of trademarks or design patents, as the use of copyright alone tends to be weak. Copyright protection can be obtained quickly and cheaply, the period of protection is longer compared to design patents and to successfully claim copyright infringement, it is not necessary to demonstrate likelihood of confusion among consumers.

While China's primary IP laws (trademark, patent and copyright) present some limitations, further – somewhat broad – protection is available through the Anti-unfair Competition Law. Article 2 states that businesses must “abide by the principle of voluntariness, equality, impartiality, honesty and good faith, and also adhere to public commercial moral in their business transactions. ‘Unfair competition’ is defined, in this law, means activities made by managers who damage the others’ legal rights and interests, disturb the order of social economy and violate the provisions of this law”.

Article 5 protects the packaging or decoration of goods and services, stating that “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 authorization, 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”.

The Supreme People’s Court has reiterated that although a product design can be protected through a design patent, protection is also extended through the Anti-unfair Competition Law where the design has distinctive features and has acquired secondary meaning. Moreover, under the Anti-unfair Competition Law, protection is afforded to “text, pattern, color and their combinations that lie outside the product”, or where the product configuration has distinctive features and is not simply based on general, common or inherent designs. However, according to the court, in an Anti-unfair Competition Law claim, 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”. No specific



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registration is needed for this protection; thus, where trademark, patent or copyright protection is weak or unattainable, or has expired, brand owners can look to the Anti-unfair Competition Law.

Colour marks

The possibility to register colour combinations was also added to the Trademark Law in 2001. Distinctiveness is again critical for this type of mark, and therefore the colour combination must not be inherent to the product, linked to the process of production or commonly used for the relevant goods. In past cases, the authorities have found applications for two common colours to be weak, unless it is shown that the colour combination has attained recognition through long-time use and promotion. However, a combination

of two colours is not unattainable, as seen by the successful protection of the copper and black mark for Duracell batteries. Furthermore, Article 10 of the Trademark Law specifically restricts trademarks that are identical or similar to a country’s national or military flag, or flags of international intergovernmental organisations or the Red Cross or the Red Crescent, which can be of particular concern to brand owners interested in trademarking two to three common colours. Colour marks are available only for an actual combination of two or more colours; no protection is available for a single colour at this time. Although early versions of the upcoming amendments to the Trademark Law included the possibility of registering single-colour trademarks, the recently released final draft has removed this from the scope of registrable marks, likely due to the lack of current need by Chinese enterprises and the difficulty in implementing such rights.

Sound marks

As mentioned above, in the upcoming amendments to the Trademark Law, brand owners will have the option to register sound marks. Registration will be available when the law comes into effect on May 1 2014; however, while there is some discussion that the related implementing regulations may also be available by May 2014, at the time of writing it is unclear how China will handle the registration of such marks. Brand owners should monitor the progress of these implementing regulations in order to gain a better understanding of how registration will work and what examiners will be looking for.

Although much of the non-traditional marks realm remains unexplored in China, there is a trend towards broadening the scope of protection to include such marks. While the amended Trademark Law may not extend the scope of registrable trademarks as much as some brand owners would like, it would be prudent to bear in mind that China is still fairly young in its IP development. With more than 650,000 trademark registration applications, more than 20,000 trademark issues being reviewed by the Trademark Review and Adjudication Board and more than 20,000 trademark infringement cases in the first half of 2013 alone, China must find a balance between managing its popularity as a market and its desire to continue to develop and follow international trends. However, slowly but surely, brand owners will find that China offers the protection that they experience elsewhere in the world. [WTR](#)