The Trademark Prosecution Review

2024

The first edition of the WTR Trademark Prosecution Review takes a wide-ranging view of best strategies for securing trademarks in the key regions of the Americas, the Asia-Pacific, and Europe, the Middle East and Africa. The review combines on-the-ground knowledge and analytic insight to offer an unparalleled deep dive into the prosecution landscape in specific key markets.

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Specialist Chapter: The Trademark Modernization Act One Year On: New Tools and Takeaways

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Summary
This chapter discusses petitions filed under the Trademark Modernization Act after its first year of enactment.

DISCUSSION POINTS

- Background of the Trademark Modernization Act
- Current filing numbers under the new legislation
- A review of current petitions and their evidentiary support
- Strategic concerns for practitioners when filing petitions under the Trademark Modernization Act

REFERENCED IN THIS ARTICLE

- The United States Patent and Trademark Office
- Trademark Modernization Act

The Trademark Modernization Act (TMA), which came into effect on 18 December 2021, provides parties and the United States Patent and Trademark Office (USPTO) with new tools to clear registrations for marks that are not in use from the Federal Register. The TMA implemented two new mechanisms for the expedited cancellation of trademark registrations – ex parte re-examination and ex parte expungement. Re-examination challenges a registration on the ground that the mark was not in use at the time of the application's filing date or the filing date of the amendment to allege use. Expungement challenges a registration on the ground that the mark has never been used in commerce in connection with some or all of the goods or services identified in the registration. The new proceedings may be filed by any party: it is not necessary to prove standing. If the party seeking cancellation is doing so because the registration is blocking a pending application, prosecution of that application is suspended during the pendency of the TMA proceedings.

A party seeking cancellation bears the burden of establishing a prima facie case of non-use of the mark. Each petition must establish non-use via the evidence submitted at the time the petition is filed. This is a difficult task, as it requires a negative to be proved. Petitioners must demonstrate that they have made a bona fide attempt to establish that the mark has not been used, or has ceased use in commerce, and include a verified statement that the petitioner conducted a reasonable investigation. The Director of the USPTO evaluates the evidence submitted with the petition and determines whether a prima facie case has been made. If so, the USPTO institutes an office action to the registrant, to which the registrant has three months to respond.

The rules established by the USPTO when the TMA came into effect provided little guidance on what constitutes prima facie evidence. Our review of the proceedings indicates that, in general, a petitioner's chances of institution improve the more evidence and wider variety of evidence they provide. For instance, if a mark covers high-end clothing, searching a variety of websites that sell high-end clothing is recommended. Additionally, conducting a search on Google as well as on relevant social media platforms helps to demonstrate that the petitioner
conducted a widespread, reasonable search. However, although a review of the past year’s proceedings provides would-be petitioners with some understanding of how to successfully demonstrate prima facie evidence of non-use of a mark, there is still little guidance overall as to the minimum threshold of proof required. It does not appear that obtaining the services of a private investigator is necessary. It is worth keeping in mind that obtaining sufficient evidence can be time-consuming, as petitioners need to be thorough and keep detailed documentation of their searches.

NUMBERS TO DATE

As part of the TMA’s new procedures, the USPTO implemented a new tool on its website that allows users to monitor ongoing petitions for expungement and re-examination. It offers those interested in filing a petition a helpful starting point. Additionally, parties can utilise the tool to see whether third parties or the director have already taken action against unused marks. As at April 2023, 818 petitions have been filed – 401 expungements and 417 re-examinations, including 80 that were instituted by the USPTO itself.

A review of recent petitions suggests it takes three to four months for the USPTO to initially address a filed petition, by instituting it, sending an enquiry letter to the petitioner or rejecting it. Once a petition is instituted, the registrant has three months to respond, with the option of a three-month extension for a fee. If no response is filed, the petition will end in default. After the deadline for a registrant to respond has passed, the USPTO is currently taking between one and two months to render a decision. It is important to keep this timing in mind as it may be a factor as to whether one wants to use the TMA procedures or instead use a traditional petition to cancel through the Trademark Trial and Appeal Board, which has a 40-day response time.

This article briefly reviews five recent petitions and provides an analysis of the supporting evidence submitted.

SUCCESSFUL EXPUNGEMENT PETITIONS

Expungement Granted And Registration Terminated In Part

The petitioner filed a partial expungement proceeding against the mark COSY LIFE (Registration No. 5475197) that was limited to seeking cancellation of the mark in connection with ‘kennels for household pets’ in Class 20, only one of several categories of goods in the registration. According to the petition, the registrant was using the mark in connection with (1) a back stretcher device, (2) a neck and head hammock, (3) a neck stretcher and (4) a star projector night light, but not with kennels, as claimed in the registration. The petitioner provided a detailed narrative of the investigation it conducted to demonstrate its prima facie case, along with a variety of evidence:

- an overview of the registrant’s application containing the specimen of use;
- an overview of the registrant’s website as its main channel of sales, including its About Us page, displaying the use of the mark on neck pain relief apparatus;
- a review of the registrant’s online Amazon.com storefront selling various goods under the COSY LIFE mark, none of which were ‘kennels for household pets’;
- a review of the Wayback Machine to show the lack of evidence that the registrant had ever sold any pet products; and


a demonstration of the thorough online search the petitioner performed as part of its reasonable investigation.

The USPTO accepted the petition and issued a non-final office action. The registrant did not respond with any evidence of use and the registration was terminated in part as to the kennels.[2]

Here, the petitioner focused on non-use of a particular class of goods, only seeking partial cancellation. The evidence provided showed that the registrant was actually using the mark in connection with neck-pain relief products but not kennels. Although a general internet search alone will not necessarily show prima facie evidence of non-use, highlighting a lack of the product on the registrant’s own platforms and channels of sale, both now and in the past, may be sufficient.

**Expungement Granted And Whole Registration Terminated**

In a petition against the registration for HYDROMOMS and Design (Registration No. 5587254), for use in connection with beverages, the petitioner successfully cancelled the entire registration.[3] The petitioner supported its petition by submitting the original specimen of use showing that the registrant had shipped the products with a sticker of the mark covering the original Indonesian mark.

To further support the claim of non-use, the petitioner submitted the results of an internet search for the registrant’s name and mark, which did not return any hits showing the mark used in connection with beverages, but which instead showed only hydration products not connected to the registrant. Additionally, the petitioner provided searches of the registrant’s website, social media pages, the registrant’s parent company and Amazon, none of which displayed use of the HYDROMOMS mark for the claimed products.[4]

The USPTO accepted the petitioner’s filing as evidence of a prima facie case and issued a notice to the registrant requesting a response. When no response was received, the USPTO issued a notice of termination, cancelling the entire registration.

**REGISTRATION VOLUNTARILY RELINQUISHED**

The USPTO accepted a petition filed for cancellation of POET TREE (Registration No. 3919224) and instituted a proceeding. The petitioner provided extensive evidence demonstrating lack of use, including screenshots of the results of various searches via search engines that returned no evidence of use, results of searches of a variety of websites that would typically sell the relevant goods, and searches of local news sites and articles. The petitioner also provided information about the domain name previously used by the registrant, including submitting evidence that the domain associated with the registrant was expired per the associated WHOIS. The registrant responded to the notice by voluntarily surrendering the mark for cancellation.[5]

**PROCEEDING TERMINATED BECAUSE REGISTRANT DEMONSTRATED USE**

On 31 December 2021, a petitioner instituted a re-examination proceeding for the mark WATERBIRD (Registration No. 5939922), registered for ‘distilled spirits; prepared alcoholic cocktail’ in Class 33. The USPTO accepted the petition as having met the prima facie evidence threshold. The registrant responded by providing evidence of use of the WATERBIRD mark in commerce that was sufficient to prevent cancellation. To demonstrate that the mark was in use, the registrant submitted the following evidence:

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[2] Here, the petitioner focused on non-use of a particular class of goods, only seeking partial cancellation. The evidence provided showed that the registrant was actually using the mark in connection with neck-pain relief products but not kennels.
[3] Expungement Granted And Whole Registration Terminated: In a petition against the registration for HYDROMOMS and Design (Registration No. 5587254), for use in connection with beverages, the petitioner successfully cancelled the entire registration.
[4] The petitioner supported its petition by submitting the original specimen of use showing that the registrant had shipped the products with a sticker of the mark covering the original Indonesian mark.
[5] To further support the claim of non-use, the petitioner submitted the results of an internet search for the registrant’s name and mark, which did not return any hits showing the mark used in connection with beverages, but which instead showed only hydration products not connected to the registrant. Additionally, the petitioner provided searches of the registrant’s website, social media pages, the registrant’s parent company and Amazon, none of which displayed use of the HYDROMOMS mark for the claimed products.

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• a declaration of a customer discussing its purchase of a product containing the WATERBIRD mark and a picture of the product;
• federal certificates of label approval for several of the WATERBIRD beverages, namely its Moscow Mule product, its Vodka Soda & Lime product and its Potato Vodka product;
• dated and time-stamped photos of the product on shelves at a Kroger grocery store;
• a label of one of the beverages; and
• a declaration from the founder.

The USPTO determined that the mark had been used in commerce and terminated the re-examination proceeding.\[6\]

The WATERBIRD proceeding is unusual because the registrant responded to the petition. In reviewing the re-examination proceedings to date, we notice that, more often than not, registrants do not respond to petitions after institution, and the subject registration is cancelled by default.\[7\] Therefore, the WATERBIRD proceeding provides registrants with helpful guidance about the evidence that the USPTO will find sufficient to overcome a petition. Here, the registration was relatively new and the mark had been in use only since 2019, barely two years prior to the institution of the re-examination procedure. Although use of the mark may have not been extensive as of yet, the registrant was still able to demonstrate sufficient use to the USPTO to effectively fend off cancellation.

**DIRECTOR-INITIATED PROCEEDING FOLLOWING TERMINATION OF PETITION**

In some cases, a third-party petition may be denied because the evidence does not support a finding of a prima facie case of non-use. Nonetheless, the USPTO Director may further look into the registration and elect to initiate a proceeding. For example, a petition for expungement was filed against the mark NUTRIUM (Registration No. 5527589) for use in connection with computer hardware and software as well as a wide variety of other goods and services. The petitioner stated that it conducted a reasonable investigation and found no evidence that the mark was ever used in commerce in connection with the registered goods. The petitioner's investigation included research conducted on LexisNexis to demonstrate that the company had not ever operated within the United States. The petitioner also provided a screenshot of the UK Companies House web page showing that the registrant dissolved in 2020. The petitioner also asserted in the petition that it reviewed the registrant's social media websites and conducted a broad internet search of the mark as part of conducting a reasonable investigation.\[8\]

Despite this range of evidence, the USPTO refused to institute a proceeding on the grounds that the petition failed to establish a prima facie case. However, shortly after the petition was denied, the USPTO initiated its own expungement proceeding. The notice of institution/non-final action outlined how the USPTO performed a search that established a prima facie case, highlighting what the original petitioner failed to present. The USPTO developed a list of several websites on which the types of goods and services associated with the registration would typically be sold, then conducted a thorough search of these sites (which returned no hits for the products and services) and documented those results through extensive screen captures of the results. Additionally, the USPTO utilised the Wayback
Machine to search for terms associated with the registration and relative domain names, which again returned no evidence of use. [9]

As a practical measure, this proceeding provides an indication of the websites that the USPTO considers are of the type on which the goods and services listed in the registration are traditionally sold, and indicates that not finding the mark there, and documenting that lack of evidence, can constitute a prima facie case.

TAKEAWAYS FOR FUTURE PETITIONERS

Filing one of the new TMA proceedings is an effective strategy that parties can incorporate into their enforcement and policing plans. There is no limit on the number of petitions that can be filed by the same petitioner or against the same registration, although co-pending filings are not permitted. The USPTO Director’s determinations as to whether to institute a proceeding are final and non-reviewable. Additionally, the TMA’s estoppel provisions prevent the institution of later proceedings against the goods and services in a registration that have been the subject of a previous proceeding where acceptable proof of use was provided by the registrant. Petitioners should also keep in mind that they only get one chance per petition – no supplementation is allowed after filing. Therefore, a petition must set forth its best and most complete set of evidence at the time it is filed.

So far, the USPTO has not provided much guidance as to why a petitioner fails to establish a prima facie case in a particular petition. Most determinations do not comment on evidentiary deficiencies. However, the USPTO does provide some tips and best practices on its website. [10] The USPTO indicates that it is important to present a narrative in the petition, and that the narrative should include the reasonable investigation strategy, a variety of sources of evidence, industry-specific evidence and extensive documentation. For example, when searching different e-commerce websites, such as Target or Amazon, it is crucial to compile screenshots of the results returned by the searches conducted to demonstrate the lack of use. Along those lines, search results from one type of source may not be sufficient, but the reasoning for choosing particular sources versus others should be explicitly laid out in the petition.

Sources of evidence matter. Petitioners should consider the goods or services used in connection with the mark, the period for which it was registered and the market the registrant is targeting when gathering evidence. This will help petitioners to develop a strategy as to which websites to search and what other sources they may want to consult. Social media accounts are also useful evidence, since one would expect a registrant to use its own marks on its own social media accounts. Petitioners should also consider consulting internet archives such as the Wayback Machine (at Archive.org).

Petitioners considering filing multiple petitions against related registrations with similar supporting evidence should consider commencing with one petition to determine whether the evidence suffices. This strategy may help the petitioner to determine whether evidence is lacking so that they can amend and supplement subsequent petitions accordingly.

Even if a petition is denied, the USPTO Director may institute its own proceeding. [11]

CONCLUSION

The TMA provides brands and practitioners with a potentially speedier option for pursuing the cancellation of a registration that is not being used in US commerce. Though these proceedings may be quicker than a full traditional non-use cancellation proceeding, they
take a minimum of six months, compared to a minimum approximate time of four months for traditional cancellations that end in default. In addition, practitioners still need to be thorough and thoughtful as they conduct a reasonable investigation to compile evidence in support of their petition. The cost and time needed to compile thorough evidence may cut against these new proceedings, however, as they still require the USPTO's approval to institute. Practitioners will need to weigh the cost and benefits of a streamlined petition and the overall lack of guidance as to what constitutes prima facie evidence against the better-known process of a petition to cancel, which does not require the USPTO's approval to institute.

Endnotes

1  https://developer.uspto.gov/tm-decisions/search/expungement ^ Back to section


4 Although a petitioner cannot typically supplement a petition, in this case the USPTO sent the petitioner an inquiry letter providing 30 days to remedy the deficiencies in its filing. The USPTO stated that the petition was incomplete because it did not include an itemised index of the evidence submitted in support of a prima facie case of non-use of the mark. Once the petitioner remedied this issue, the petition was accepted. ^ Back to section

5 Petition No. 2022-100059E for POET TREE (U.S. Reg. No. 3919224). ^ Back to section

6 Petition No. 2021-100005 for WATERBIRD (U.S. Reg. No. 5939922). ^ Back to section

7 It is difficult to fully determine the number of petitions that end in default compared with the number of petitions in which the registrant responds, given that the USPTO's search tools do not have an option to search with that parameter. ^ Back to section

8 Petition No. 2022-100152 for NUTRIUM (U.S. Reg. No. 5527589). ^ Back to section

9 Although petitioners would be well advised to consider having a higher level of evidence than just internet searching, it appears that even when the USPTO finds that prima facie evidence is lacking, it might still provide a rationale for the USPTO to start a proceeding of its own. ^ Back to section

10 https://www.uspto.gov/trademarks/laws/2020-modernization-act ^ Back to section
If a party decides to refile a petition, it is important to ensure that the USPTO Director has not already initiated a proceeding. If a party refiles a petition where the USPTO has issued a director-initiated proceeding, the third-party petition will be denied because no later expungement proceeding can be instituted with respect to the same goods or services at issue in a pending proceeding. To prevent this from occurring, users should consult the new proceeding search tool prior to filing a petition to determine whether a petition has been filed already against the registration.
Argentina: A Closer Look at Trademark Law Reforms

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Summary
Argentina’s Trademarks Law, first passed in 1980, has been reformed considerably in recent years. As Argentina becomes an increasingly significant destination for trademark prosecution, applicants need to be fully conversant with the relevant laws and regulations.

**DISCUSSION POINTS**

- Trademark registration procedure
- Requirements for maintaining registration
- Official measures and responses to infringements

**REFERRED IN THIS ARTICLE**

- Law No. 22,362 of 26 December 1980 (B.O.2/1/81) (Trademarks Law), amended by Law No. 27,444 of May 2018 and Decree 242/2019
- Trademark Office Resolution P-183 of 17 September 2018
- Afrika Kueros SA v Sacatex SRL and Kantor SAIC
- Naturella SA v California Shoes SRL

Law No. 22,362 of 26 December 1980 (Trademarks Law) was amended by Law No. 27,444 of 30 May 2018 and Decree 242/2019, regulating the Trademarks Law and its amendments. The Trademark Office (TMO) examiner has also issued a number of resolutions regarding the new registration procedure.

The TMO is a department within the National Institute of Industrial Property (INPI).

**GENERAL PRINCIPLES**

Despite the amendments and changes to the Trademarks Law, the first to file system, whereby priority is granted to the first to file and trademark rights are acquired by registration, has been maintained and still is a general legal principle.

Article 4 of the Trademarks Law clearly establishes that the ownership of a trademark and the exclusivity of use are obtained by registration.

The following may be registered as trademarks to distinguish products and services, as set out in article 1 of the Trademarks Law: one or more words, with or without meaning; drawings; emblems; monograms; engravings; images; bands; combination of colours applied to a particular place on products or containers; wrappers; combinations of letters and numbers; letters and numbers that have a special design; advertising phrases; and, most importantly, any other distinctive sign.

In addition, Regulating Decree No. 242/2019 stipulates that shapes and colours that have acquired distinctiveness, and the natural shapes or unusual shapes of products, may also be registered as trademarks.
REGISTRATION OF A TRADEMARK

Trademark applications are published, typically within two months of filing, to enable objections to be raised. Trademark Office Resolution P-183 of 17 September 2018 establishes the procedure for third-party opposition to a trademark application.

Any third party with a legitimate interest has 30 days from the publication date to file an opposition. This term is not extendable.

If there is third-party opposition, the TMO will notify the applicant and grant a term of three months to reach a settlement with the opponent. If no amicable settlement has been achieved within the three months, the TMO will notify the opponent and grant a non-extendable term of 15 working days to ratify its opposition and initiate an administrative lawsuit by filing additional arguments to sustain the opposition. This process involves the filing further arguments, evidence and closing arguments.

The applicant and opponent may continue to negotiate a settlement during the opposition process. In view of this, the three-month term provided by the TMO does not have a fixed expiry date for a settlement to be reached.

After the opponent has ratified its opposition, the TMO will notify the applicant, granting a non-extendable period of 15 working days to file a response and evidence. The TMO will then grant a non-extendable period of 40 working days for both parties to produce evidence. As documentary evidence must be filed by the parties with their respective claim and responses, non-documentary evidence must be produced during the 40 working days. Once the evidence stage is completed, each party has 10 working days in which to file final arguments.

A settlement may be reached at any time during the opposition procedure. If a settlement is reached or if the case is settled through mediation or conciliation, the parties must notify the TMO; however, the TMO is not bound by the terms of the settlement.

If the opposition is not ratified by the opponent, it will be considered by the TMO as an informal objection, in which case the TMO examiner will issue a decision on the merits of the opposition.

The TMO's decision may be appealed before the Federal Court of Appeals within a non-extendable term of 30 working days of notification of the decision. The possibility of appealing a TMO decision applies only if the opposition has been contested, not if it is not contested, where the TMO will nevertheless have to issue a decision.

For many years, oppositions between parties were decided by the courts if an amicable settlement could not be reached. The criteria used by the TMO examiners have tended to follow similar criteria, which are as follows:

- When comparing trademarks, the analysis should focus on the similarities and not the differences between them.
- Similarities in one aspect of the comparison (eg, phonetical, visual or conceptual) is sufficient to establish that the trademarks cannot coexist.
Trademark confusion occurs when a new trademark triggers a recollection of an existing trademark, making the consumer mistakenly choose the later trademark only because of this memory; however, the consumer must be able to remember a trademark for confusion to occur.

Consumers mostly recall the beginnings of words.

Indirect confusion is a sufficient ground for a trademark to be rejected.

The mot vedette (ie, compound of a trademark with immediate significance) can be the most distinctive part of a trademark. Once such a compound has been identified, it can be the basis to reject an application when carrying out a comparison.

A trademark can be rejected because of the fact that the granting of a similar trademark can provoke the dilution a registered trademark in a given class.

Direct confusion entails the consumer who is purchasing a product being convinced that he or she is buying a different product.

Indirect confusion entails the consumer purchasing a given product on the understanding that the product belongs to a given producer, when it was actually manufactured by a third party.

The main goal of the Trademarks Law is the protection not only of the trademark owners but also consumers and sound commercial practices.

Registered trademarks must be protected.

Legitimate interest is a necessary requirement to prevent the registration of trademarks with unlawful purposes or with the intent to confuse consumers.

The owner of a trademark has the right to exercise its exclusive rights over its trademark.

Notorious trademarks require a greater level of protection. Therefore, the speciality principle, which establishes that a trademark is protected only in connection with the product or service for which this was registered, does not apply.

**USER REQUIREMENT**

Under the first-to-file system, there is no prior use requirement to file a trademark application nor to obtain a trademark registration; however, there are requirements for users in respect of maintaining a registration and avoiding a non-use cancellation action.

**Non-use Cancellation Action**

A third party, with a legitimate interest, may file a cancellation action if a trademark has not been used in Argentina for five years, counted from the date the cancellation action is filed, other than for unforeseeable circumstances.

**Partial Non-use Cancellation Action**

As of 12 June 2023, it is possible to file a partial non-use cancellation action. A cancellation action will not proceed if the trademark has been used on certain products or services, or as part of the rendering of a service relating to a product or service, even if in different classes or if it is part of the designation of a related activity.
Non-use cancellation actions are handled and decided by the TMO. The decision may be appealed before the federal courts within 30 days of the date of notification.

To date, the TMO has not decided on any non-use cancellation actions, so there are no cases from which to establish the criteria to be used by the TMO.

Renewal Application
To renew a trademark registration, the trademark should have been used in Argentina within the five years prior to expiry of the registration. The use of the trademark on any product or service is sufficient to renew a trademark registration in any class. There also is a six-month grace period to file a renewal application after expiry of the registration, subject to payment of an additional fee to the TMO.

Mid-term Declaration Of Use
A mid-term sworn declaration of use must be filed in all trademark registrations between the fifth and the sixth year of registration.

Failure to make such a presentation will lead to a presumption of the lack of use of the trademark. Any renewal application will not be considered until a declaration has been duly filed and the relevant TMO fee for late filing has been paid.

CANCELLATION ACTION
The Trademarks Law provides that a trademark registration is invalid for two reasons. The first is if a trademark application is granted in contravention of the provisions of the Trademarks Law. These cases are handled and decided by the TMO. Decisions may be appealed within 30 working days of notification of the decision.

If a trademark is registered by someone who knew, or should have known, that the trademark belonged to a third party, the registration will be invalid. This is an exception to the first-to-file system, which sanctions 'pirate' trademark registrations.

Furthermore, it has long been the practice of the federal courts to declare the nullity of trademarks that are registered by third parties in bad faith.

TRADEMARK INFRINGEMENT
The Trademarks Law specifies the types of acts that are considered to infringe a registered trademark:

• the false or fraudulent imitation of a registered trademark or designation;
• the use of a registered trademark or a designation that has been fraudulently copied, or one belonging to a third party, without the third party's authorisation;
• an offer for sale or the sale of a registered trademark or a designation that has been fraudulently copied, or one belonging to a third party, without the third party's authorisation; and
• an offer for sale or the sale or marketing of products or services with a counterfeit or fraudulently copied trademark.

Anyone found to have carried out any act that infringes a trademark may be punished by imprisonment for between three months and two years, and may also be fined.
The Trademarks Law also provides for specific actions against trademark infringement. An action known as a precautionary measure may be used to obtain evidence of an infringement. The court will authorise a court officer to visit the domicile of the individual suspected of an infringement, to draw up an inventory and to seize one of each of the infringing products.

**CIVIL COURT ACTION FOR CESSATION OF USE**

Prior to filing a civil action to obtain the cessation of use of a trademark, a lawyer must complete a compulsory pretrial mediation. This is an opportunity to try to negotiate a settlement.

The Trademarks Law provides for such a civil action to be initiated without the proper consent of its proprietor.

When such an action is filed, the plaintiff may demand that the defendant post a bond if the improper use of a trademark is not discontinued.

Only in default of a real security, the plaintiff may request that the use of the trademark be suspended. The attachment of the infringing objects provides sufficient security for this.

Damages may be claimed as part of this action. It should be noted, however, that for many years, and in line with commercial cases, when damages are claimed in trademark litigation cases, the federal courts have required actual proof of the damage and of the relative amounts involved.

As of the early 1990s, such as in the case of *Afrika Kueros SA v Sacatex SRL and Kantor SAIC, inre: Cesse in the use of trademark and damages* (decision rendered by Federal Chamber of Appeals in Civil and Commercial Matters No. III on 17 May 1991), the courts have adopted the position that damages may be presumed by the mere existence of an infringement and that, on the basis of article 165 of the Civil and Commercial Code, the judge has discretion to decide the amount of damages to be awarded. A percentage of the profits, the volume of sales and the reduction in sales have all been used by the courts as factors to establish the amount of damages.

The federal courts in civil and commercial matters are competent to try civil actions. The Civil and Commercial Code, which regulates ordinary actions, is applicable to these cases.

**DENOUNCEMENT BEFORE A CRIMINAL COURT**

Any party that has reason to believe that a criminal offence has occurred may file a denouncement with a criminal court. In these circumstances, a federal criminal court rules and enforces a range of precautionary measures. During this stage of the proceeding, the owner of the trademark registration acts jointly with the district attorney (fiscal).

The action is steered by the district attorney and the denouncing party does not have any participation in the investigations or proceedings; however, a party who has been directly affected as a victim of the criminal offence may also file a criminal action at the federal criminal courts and act as the main accuser, jointly with the district attorney.

In a criminal denouncement, the owner of the trademark registration is not considered a party to the case. Thus, the owner does not have the right and will not be able to intervene in the investigation, or at any stage of the process thereafter (ie, file remedies and appeals to contrary statements on behalf of the accused).
Canada: New Legislation Presents Fresh Challenges for Applicants

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Summary
IN SUMMARY
On 17 June 2019, Canada’s trademark laws changed significantly with the introduction of new legislation. Since that time, practitioners, brand owners, the courts and the Canadian Intellectual Property Office itself have adapted to these changes and the challenges they pose. This chapter highlights recent developments in the current examination landscape to provide some guidance on how to streamline and make the most of your applications and obtain better protection, faster.

DISCUSSION POINTS
• Types of trademarks registrable in Canada and the applicable standards
• Establishing an entitlement to registration
• Current examination environment and tips for streamlining the process
• Contrasting registered marks with unregistrable marks
• Post-registration matters

REFERENCED IN THIS ARTICLE
• Beijing Judian Restaurant Co Ltd v Wei Meng, 2022 FC 743
• Canadian Intellectual Property Office: ‘Requests for expedited examination’; ‘Extensions of time in Examination and to respond to a section 44.1 notice’; ‘Non-traditional Trademarks’
• Energizer Brands, LLC v The Gillette Company, 2018 FC 1003
• Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy v Quality Program Services Inc, 2020 CanLII 74020
• Ontario (Energy) v Quality Program Services Inc, 2020 FCA 53
• Quality Program Services Inc. v. Canada, 2018 FC 971
• Trademarks Act, RSC 1985 c T-13

INTRODUCTION
As of 17 June 2019, Canada formally ratified the Singapore Treaty and the Nice Agreement[^1] and officially became a contracting state to the Madrid Protocol. Since then, the Canadian Intellectual Property Office (CIPO), practitioners and agents alike have worked to adapt to the new regime and its associated challenges. This article provides an overview of these developments and discusses some of the principles underlying Canada’s trademark law.

REGISTRABLE TRADEMARKS
Canada is a first-to-use jurisdiction. The principal law is the Trademarks Act[^2] (the Act) and its associated regulations, which are administered by CIPO. The Act broadly defines a ‘trademark’ as ‘(i) a sign or combination of signs that is used or proposed to be used by a person for the purpose of distinguishing or so as to distinguish their goods or services from those of others, or (ii) a certification mark.[^3]
As a result of the 2019 amendments to the Act, Canada explicitly recognises a broad array of trademarks, including non-traditional marks, as shown in this screenshot from CIPO’s online filing system:

This list is not exhaustive, and provided a ‘sign’ meets the definition of ‘trademark’ in the Act, then it could be registrable; however, this does not mean that all such signs are registrable. Some marks are inherently unregistrable, while others may be unregistrable because of existing third-party marks. For instance, even though distinctiveness has been a cornerstone of Canadian trademark law for decades, the 2019 amendments introduced an explicit prohibition against registering non-distinctive marks and empowers CIPO to object to registration of a trademark if, ‘on a preliminary view’, it is not inherently distinctive. Section 12 of the Act contains additional prohibitions including, for instance, prohibiting registration of marks that are names or surnames or are marks that are, in English or French, clearly descriptive or deceptively misdescriptive ‘of the character or quality of the goods or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin’. These prohibitions are not absolute: a trademark can still be registered if the applicant can prove that, at the date of filing the application, the mark acquired distinctiveness through extensive use and advertising. This is a high threshold to meet, and evidence of use must pre-date the filing of the application by at least three years. It must also extend to every province and territory in Canada, and the resulting registration will be geographically limited to regions where the applicant showed use (ie, proved acquired distinctiveness). Non-traditional marks in particular face extraordinarily high hurdles, as most can be registered only by proving acquired distinctiveness through the filing of extensive evidence.

Section 9 of the Act sets out a uniquely Canadian category of marks that are generally referred to as ‘prohibited marks’ or ‘official marks’. These are marks that are adopted by certain public authorities and government bodies and are afforded broad protection. The Act prevents any person from adopting ‘in connection with a business, as a trademark or otherwise, any mark consisting of, or so nearly resembling as to be likely be mistaken for’ a prohibited mark. Unlike other trademarks, official marks are not limited to specific goods and services and need not be distinctive. Official marks do not undergo the same rigours of examination as ‘regular’ trademarks – they are not assessed against other active marks in Canada nor are they examined for inherent registrability. As long as the applicant meets the various criteria for being a public authority and has adopted and used the mark in some public-facing manner, the application will be permitted. Once advertised, an official mark
essentially freezes the rights of incumbent third parties, and any third party that wishes to
register a mark that ‘so nearly resembles’ an official mark will be refused by CIPO without the
consent of the owner.

Recent case law has put an important limitation on this broad protection. In *Quality Program
Services Inc v. Canada*, the Ontario Ministry of Energy adopted, used and subsequently
obtained an official mark for emPOWERme despite the fact that the plaintiff owned a
registration for EMPOWER ME covering energy awareness, conservation and efficiency
services. The plaintiff sued the Ministry for infringement, and though the Ministry attempted
to rely on its official mark as a shield to protect it from liability, the Federal Court of Canada
(FC) allowed the plaintiff’s claim and concluded that an official mark does not grant public
authorities immunity from claims under the Act. This decision was upheld by the Federal
Court of Appeal, and the Supreme Court of Canada refused the Ministry’s request for leave
to appeal.

**ENTITLEMENT**

Applicants are entitled to registration if they are the first to file in Canada and no one else,
prior to the filing (or priority) date, has used or made known a confusing trademark in Canada
or used a confusing trade name in Canada that has not been subsequently abandoned.

As of 2019, an applicant can obtain a registration without claiming use but must either (1)
have actually used or (2) have a bona fide intention to use the applied-for mark with all the
listed goods or services on or before the filing date. Without such a use or intention, the
application could be successfully opposed and any resulting registration expunged through
a summary cancellation or expungement proceeding. Forthcoming changes will introduce
a requirement that a registrant must prove actual use before commencing legal action for
infringement or depreciation of goodwill. At the time of writing, these changes are not yet in
force but are likely to come into effect within the next year or two.

**PROSECUTION PROCESS**

Owing to a combination of factors, there is an extensive backlog at the Examination Branch
of CIPO. It can take 36 months or more from the filing date to first examination. The following
section sets out the general requirements for an application and some tools applicants can
use to speed up the process.

**Application Requirements**

All applications must contain certain mandatory information, including the applicant’s name
and address, a representation or description of the mark, and the associated goods or
services classified according to the Nice Classification. Although applications can still
be filed on paper, electronic filing can expedite CIPO’s processing of the application, reduce
government filing fees and simplify file wrapper management.

Additional requirements vary depending on the type of trademark. For instance, an
application for a word mark must set out the mark in standard characters together with a
statement that the mark is to be registered in standard characters. If any design mark is
filed in colour, then a colour claim is mandatory. If a colour claim is not intended, the design
should be in greyscale.

There are additional requirements for certain types of non-traditional marks. As
mentioned, they are also subject to proof of acquired distinctiveness but to date, the
standards for these kinds of marks are not clear and precious few applications have progressed beyond the preliminary examination. The following table shows the current state of the active applications for non-traditional marks filed since the new rules were introduced in 2019:

<table>
<thead>
<tr>
<th>Trademark type</th>
<th>Formalised</th>
<th>Searched</th>
<th>Approved</th>
<th>Registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colour per se</td>
<td>22</td>
<td>9</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3D</td>
<td>350</td>
<td>123</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Position</td>
<td>212</td>
<td>45</td>
<td>13</td>
<td>22</td>
</tr>
<tr>
<td>Hologram</td>
<td>31</td>
<td>9</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Motion</td>
<td>33</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sound</td>
<td>47</td>
<td>5</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Taste</td>
<td>79</td>
<td>23</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Scent</td>
<td>19</td>
<td>7</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Texture</td>
<td>79</td>
<td>29</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mode of packaging</td>
<td>129</td>
<td>41</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>

The table is a stark illustration of the high standards required to register non-traditional marks and the current examination backlog at CIPO. It is hoped that the body of case law surrounding non-traditional marks will improve in the next few years.

An application for a certification mark must include particulars of the defined standard and a statement that the applicant is not engaged in the manufacture, sale, leasing or hiring of goods or the performance of services with which the certification mark is used or proposed to be used.

All applications must also be accompanied by a filing fee, the amount of which corresponds to the number of relevant Nice classes. Canada permits and even encourages multi-class applications (rather than multiple single-class applications) by reducing the fees for each additional class.

**Pre-examination**

Another uniquely Canadian requirement is that not only must goods and services be properly grouped according to the international Nice Classification, they must be described in ‘ordinary commercial terms’. International applicants are often required to revise their specifications, sometimes extensively, from what they may have registered in other countries.

CIPO maintains a list of pre-approved terms for goods and services (the List) and strongly promotes its adoption wherever possible. If applicants select from the List when preparing their applications, CIPO will expedite the examination from 36 months to between 12 and 18 months, and applicants can avoid technical objections regarding the description.
or classification of their goods or services as the application will essentially bypass that examination.

Although the List is not entirely comprehensive, CIPO has expanded it significantly in recent years; moreover, CIPO entertains requests from applicants to add to the List. This is a useful tool to reduce examination timelines when an applicant’s goods and services – despite being sufficiently specific – were not on the List at the time of filing, rendering the application ineligible for expedited examination.

Under a practice introduced in 2022, CIPO sends applicants a pre-assessment letter before examination. These letters, automatically generated by an artificial intelligence tool, advise applicants that their classification or specification is not acceptable and invites them to make an amendment according to the List. Pre-assessment letters do not obviate formal examination; rather, an examiner will consider whether the goods and services are properly classified or specified.

In the following circumstances, an applicant can make a formal request for expedited examination, supported with affidavit evidence: a registration is required (1) for enforcement purposes, (2) to combat counterfeit goods at the Canadian border, (3) to prevent the applicant from being disadvantaged in online marketplaces, and (4) to preserve a priority claim following a request from a foreign intellectual property office. Recent experiences with this practice have been positive – in some instances, expedited examination takes place within weeks, or even days, of filing the formal request. So, by providing compelling evidence of urgency, it is possible to dramatically accelerate examination of Canadian applications.

**Substantive Examination**

Substantive examination is an assessment of whether a mark is registrable under both relative and absolute grounds. If barriers to registration are identified, the examiner will issue an examiner's report and invite arguments or amendments to be submitted within six months. In 2021, CIPO rescinded the general availability of extensions to reply to examiners’ reports; now, extensions are only available in limited circumstances, including a recent change in counsel, pending assignment, active opposition proceedings, consent negotiations with an official mark owner, compiling evidence to overcome a non-distinctiveness objection, and circumstances outside the applicant's control.[15]

If the response fails to overcome the examiner's objections, the examiner will issue a further office action. If the second response fails to respond to the second office action, the examiner may, but not necessarily will, issue a refusal, at which point the applicant must either give up or commence an appeal of the decision to the FC. Alternatively, if an applicant fails to file a timely response, CIPO will issue a notice of default providing a two-month grace period, after which, absent a timely response, the application will be abandoned.

Although third party petitions or interferences during examination are not available, Canada now permits incumbent trademark owners to flag their rights to CIPO during examination. By filing a notification of third party rights form, one can identify potentially confusing applications or registrations to the examiner tasked with a particular application, which can help prevent problematic applications from being approved.

**Approval, Advertisement And Registration**

Once the applicant addresses all objections raised during examination, CIPO approves the application and then advertises it in the *Trademarks Journal* for opposition from third
parties for two months. If the application is not opposed, or if the applicant is successful in an opposition, it proceeds to registration and CIPO will send an electronic certificate of registration. If the application was filed after 17 June 2019, there is no fee for registration.

POST-REGISTRATION MATTERS

Rights Conferred By Registration Versus Unregistered Trademarks

A registration confers on the registrant the exclusive right to use the trademark throughout Canada in association with the specified goods and services\(^{[16]}\) and the right to prevent unauthorised third parties from using the same mark or any ‘confusingly similar’ mark.\(^{[17]}\) Although a detailed discussion of confusion is outside the scope of this article, a confusion analysis generally requires consideration of all the surrounding circumstances, as well as five specific factors set out in section 6(5) of the Act, including the degree of resemblance between the trademarks in appearance or sound or in the ideas suggested by them.

Another unique feature of Canadian trademark law is section 22 of the Act, which prohibits any person from using a registered mark of another ‘in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto’.\(^{[18]}\) This section has been successfully used in parody cases, comparative advertising cases and, more recently, the FC said that the defendant’s trademark need not even be identical to the registered mark: use of the phrases ‘the next leading competitive brand’ and ‘the bunny brand’ by The Gillette Company in comparative advertisements as a thinly veiled reference to ENERGIZER-branded batteries was found to be a depreciation of the goodwill.\(^{[19]}\) The Supreme Court of Canada, in \textit{obiter}, also suggested that the breadth of the wording of section 22 may even ground a dilution claim.

Registrations are tools to combat counterfeiting – owners of registered trademarks (and copyrights) can file requests for assistance from the Canada Border Services Agency, advising officers of the owners’ trademark rights so that they can inspect and detain counterfeit goods as they enter into Canada.

Unregistered trademark owners have rights but they are subject to two important limitations that do not apply to registered marks. First, enforceability is limited to the tort of passing off, which is both recognised by the common law and enshrined in section 7(b) of the Act. To establish passing off, a trademark owner must prove that the mark possesses goodwill through use. This can often be a high threshold, requiring extensive evidence of sales, advertising, promotional activities, awareness of the brand in relevant trades and market presence. Second, an extension from the first limitation is that unregistered trademark rights are geographically limited to the region or regions where the mark owners can prove goodwill. In other words, unregistered trademark rights are not inherently nationwide rights in the same way as registered trademarks.

Finally, amendments to the Quebec Charter of the French Language, coming into effect on 1 June 2025, will require non-French trademarks appearing on products and outdoor signage to be registered to avoid translation to French. Even then, if a non-French registered mark contains ‘generic terms or descriptions of the product’, those elements must be translated into French, and non-French registered marks on outdoor signage must be accompanied by text to make French ‘markedly predominant’.

Amendment Of The Register
Registered trademark rights are not immutable. They can be revoked or limited by voluntary withdrawal, failure to renew, summary cancellation for non-use and expungement. The first two mechanisms are administrative (and self-evident), while the second two involve inter partes proceedings.

Summary cancellation for non-use is one of the primary means by which the Act implements Canada’s use requirements to maintain trademark rights. On or after the third anniversary of a trademark registration, any person can request that the registrar issue a notice under section 45 of the Act, requiring a registrant to prove, by way of affidavit, use of each of the goods and services listed in the registration within the three-year period preceding the date of the notice, or provide exceptional circumstances justifying non-use. The registration will be cancelled or amended to remove any goods or services that were not shown to be used. These proceedings are generally straightforward, and although the requesting party cannot cross-examine on the affidavit, both parties are permitted to make written arguments and oral submissions before the Trademarks Opposition Board. At the conclusion of the proceeding, the Board will issue a decision to maintain or strike the registration, either partially or entirely.

Expungement proceedings are more robust mechanisms to attack a trademark registration and involve full litigation proceedings before the FC, which has the exclusive jurisdiction to amend the register. In general terms, a registration can be expunged because it was not registrable, the applicant was not entitled to registration, the subject mark was abandoned or is no longer distinctive, or the application was filed in bad faith. A detailed discussion of court proceedings is outside the scope of this article, though the bad faith ground in particular bears mentioning not only because it was newly introduced in 2019, but it received its first detailed judicial considering only in 2022. In Beijing Judian Restaurant Co Ltd v Wei Meng, the FC expunged a 2019 registration for a design mark in association with ‘restaurant services; take-out restaurant services’ and ‘beer’ when it was determined by the FC that it was registered to extort money from the plaintiff and for no legitimate purpose.

CONCLUSION

Canada’s trademark environment is a dynamic one, and the changes and challenges wrought by the 2019 amendments continue to work themselves out; however, there are many tools and resources available to maximise brand holders’ rights with proper guidance and knowledge. This article will be updated annually as these issues continue to develop.

The authors would like to extend their gratitude to Dakota Bundy, student-at-law with Cassels Brock & Blackwell LLP, for her assistance in preparing this article.

Endnotes

1 International Classification of Goods and Services for the purposes of the registration of marks (Nice Classification) issued by the World Intellectual Property Organization, at (ix) et seq. Back to section


3 ibid., s 2. Back to section
4 ibid., s 37(1)(d).  Back to section

5 ibid., s 32(1)(b).  Back to section

6 See ibid., s 12(1).  Back to section

7 ibid., s 12(3).  Back to section

8 2018 FC 971.  Back to section

9 Ontario (Energy) v Quality Program Services Inc, 2020 FCA 53.  Back to section

10 Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy v Quality Program Services Inc, 2020 CanLII 74020.  Back to section

11 TMA, s 16.  Back to section

12 International Classification of Goods and Services for the purposes of the registration of marks (Nice Classification) issued by the World Intellectual Property Organization, page 1 et seq.  Back to section


16 TMA, s 19.  Back to section

17 ibid., s 20(1).  Back to section

18 ibid., s 22.  Back to section

19 Energizer Brands, LLC v The Gillette Company, 2018 FC 1003.  Back to section

20 TMA, s 57(1).  Back to section
Canada: New Legislation Presents Fresh Challenges for Applicants

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Chile: Turbulent Year Sees IP Rethink and Introduction of Madrid Protocol

Alvaro Arévalo and Francisco Valverde
Villaseca Abogados

Summary

IN SUMMARY
DISCUSSION POINTS
REFERENCED IN THIS ARTICLE
RECOGNITION OF NON-TRADITIONAL TRADEMARKS AND REVIEW OF SOME IMPORTANT ASPECTS OF PROSECUTION OF TRADEMARKS
NEW TRADEMARK CANCELLATION ACTIONS
NEW DEADLINES TO RENEW TRADEMARKS
REGULATION OF COLLECTIVE AND CERTIFICATION MARKS
IMPLEMENTATION OF MADRID PROTOCOL IN CHILE
ENDNOTES
IN SUMMARY

As of May 2022, important changes have been implemented to Industrial Property Law 19,039, ranging from the introduction of non-traditional trademarks, the incorporation of a revocation action due to non-use or loss of distinctiveness, an improvement in the regulation of collective and certification trademarks and a modification in the trademark renewal period. Likewise, as of 4 July 2022, the Madrid Protocol entered into force in Chile, which has led to some legal questions, especially regarding its implementation.

DISCUSSION POINTS

- Registration of non-traditional trademarks under Law 19,039
- Modification of deadlines for renewal of trademarks
- Creation of regulation of collective and certification marks
- Chile's designation as a recipient of international trademarks

REFERENCED IN THIS ARTICLE

- IP Law 19,039, of 1991 and its Regulation
- Amendment Law 21,355, which introduces changes to IP Law 19,039
- Exempt Resolution 135 of 2022, which approves instructions for the processing of trademark matters
- Exempt Resolution 140 of 2022, which approves instructions for the processing of collective marks and certification
- Exempt Resolution 184 of 2022, which approves instructions for the processing of international trademarks under the Protocol Relating to the Madrid Agreement
- Protocol Relating to the Madrid Agreement and its Regulation

RECOGNITION OF NON-TRADITIONAL TRADEMARKS AND REVIEW OF SOME IMPORTANT ASPECTS OF PROSECUTION OF TRADEMARKS

On 9 May 2022, several changes to the Industrial Property (IP) Law (Law 19,039 of 1991) came into force (under Amendment Law 21,355 of 2022), expanding the concept of trademarks and the types recognised. These improvements were made possible thanks to the elimination of the requirement for a graphic representation of a trademark and the recognition of the general rule that any sign capable of distinguishing goods and services could qualify as a trademark. Notwithstanding the fact that, other than the traditional marks, the IP Law mentions only olfactive, 3D and sound marks, according to the trademark office (TMO) Guidelines, it also covers other possibilities, such as colour combination, movement, multimedia, hologram and position trademarks. This suggests that the list is not exhaustive and, as technological changes are generated, other non-traditional brands could be incorporated.

The technical requirements for the representation of each of the non-traditional trademarks mentioned above (formats, dimensions, file weights, etc) have been regulated by the TMO.
through Exempt Resolution 135 of 2022, which approves instructions for the prosecution of trademark matters.

Undoubtedly, the regularisation of non-traditional trademarks is a long overdue response to technological changes. Currently, the holders of unregistered trademarks only have the right to oppose a trademark application by a third party or to apply for the invalidation of a trademark registration in the following cases:

- when the unregistered trademark has been actually and effectively used in Chile prior to the application for registration by a third party for the same or a similar trademark for identical or similar goods or services in the same class or related classes, and the coexistence may create confusion; and
- when the unregistered trademark is famous or notorious and is registered abroad but not in Chile, and this trademark is identical or similar to a trademark requested in Chile to distinguish the same products or services – a situation that may create confusion. This claim must be supported by evidence of fame or notoriety among the relevant consumer public in Chile.

Moreover, the Chilean Institute of Industrial Property (INAPI) may reject an application based on an unregistered prior mark, provided that the existence of the unregistered trademark that serves as the basis for an opposition is publicly known to the extent that its renown does not require evidence.

If the owner of a famous unregistered mark is successful in an opposition or cancellation action, he or she will be granted a period of 90 days from the date of the decision to apply for registration of the mark in his or her name. Failure to do so entitles any third party to file an application for that mark, with priority being given to the party whose application for registration was rejected as a consequence of the opposition or invalidation action. The 90-day term applies to those that successfully oppose an application on the basis of previous use in Chile.

Despite this new concept of what constitutes a trademark under the IP Law (ie, any sign capable to distinguish products and services), there is a varied list of things that cannot be a trademark, such as:

1. coats of arms, flags or any other symbols, names or initials of any state or international organisation, or state public service;
2. technical or scientific denominations in respect of objects for which they are destined, plant variety denominations, common international denominations recommended by the World Health Organization and those indicative of therapeutic action;
3. the name, pseudonym or picture of any natural person, except if consent is given by that person, or his or her heirs if deceased. However, the name of a historical celebrity may be registered if at least 50 years have elapsed since his or her death and the registration does not affect the personality's honour. A person's name cannot be registered if it constitutes an infringement of any of the signs described in points 5, 6 and 7, below;
4. reproductions or imitations of signs of official guarantee or control stamps adopted by a state without its authorisation, and reproductions or imitations of medals,
diplomas or honours granted in national or foreign exhibitions whose registration is requested by someone other than the person who obtained them;

5. expressions or signs used to indicate the kind, nature, origin, nationality, source, destination, weight, value or quality of the products or services, those of general use in trade to name a certain kind of product or service, and those that exhibit no innovative feature or that describe the products or services to which they must be applied. However, signs that are not inherently distinctive may be registered if they have acquired distinctive character through their use in the country;

6. signs that may induce error or deceit regarding the source, quality or kind of product or service;

7. signs that are identical to other marks, or that graphically or phonetically resemble other marks that have been registered abroad for the same products or services in a manner likely to create confusion, provided that the prior marks are famous or notorious;

8. trademarks that are identical or similar to prior well-known Chilean registered trademarks, requested for different classes, however related, if the registration could affect the interests of the owner of the well-known trademark;

9. signs that are identical to, or that graphically or phonetically resemble in a confusing manner, other trademarks that are already registered or have validly been applied for earlier marks in the same class, or that have effectively been used in Chile prior to the application date. INAPI may allow coexistence agreements, as long as they do not affect the prior rights of third parties or cause consumer confusion;

10. the shape or colour of either products or containers, and colours themselves;

11. protected geographical indications and appellations of origin; and

12. signs that are contrary to public order, morality and good behaviour, and the principles of fair competition and business ethics comprised therein.

The processing of non-traditional trademarks will follow the same rules as classic trademarks, that is, each trademark application is subject to an examination to determine whether it meets the formal requirements, including whether the application specifies the goods or services of the Nice Classification for which registration is sought. The TMO (INAPI) notifies the applicant of any changes required. The applicant has 30 working days to file the necessary corrections. Failure to do so will result in the application being deemed abandoned. If there are no formal objections or any objections have been corrected in a timely manner, the application is accepted for further processing and published in the Official Gazette within 20 working days for opposition purposes.

After publication, the application is subject to substantive examination. Any objections must be filed within 30 working days of notification, and any interested party may file an opposition within 30 working days of publication. The opponent may base its opposition on any of the grounds to reject an application provided by the law.

Applications that have passed the formal and substantive examinations and are unopposed, or that have overcome any objections or opposition by a final decision, are accepted for registration. Mark owners have 60 working days from that date to pay the registration fees.
Registration is granted for an initial period of 10 years, renewable indefinitely for consecutive periods of 10 years.

A granted registration can be divided during cancellation action proceedings or during an appeal against a decision in a cancellation action.

Response times by the TMO during the processing of a trademark application have been affected by the covid-19 pandemic, Amendment Law 21,355 and the Madrid Protocol. However, based on the response times at the time of writing, we can generally indicate the following:

- eight to 10 months for an unopposed application to proceed to registration;
- 18 months for an opposition procedure to reach a first-instance decision (and a further 24 months for an appellate decision to be given);
- 20 days for a renewal to be accepted;
- three to four weeks to record mergers and changes of name; and
- two to three years for a cancellation action at first instance, between six months and a year at second instance and about eight months if a further recourse is filed before the Supreme Court, and three months for renewals.

Finally, given the recent modifications referred to above, it is too soon to see any trends in these new types of trademark applications, but we expect these to develop by the end of 2023.

NEW TRADEMARK CANCELLATION ACTIONS

First, prior to the amendments to Law 19,039, a trademark registration could only be cancelled in two ways:

- Voluntary withdrawal: Any party can voluntarily withdraw a registration. When made through a representative, special powers are required.
- Invalidation action: Registration granted to signs deemed unprotectable by the IP Law may be invalidated on the basis that prohibitions for granting registration were ignored. Such an action must be filed within five years of the registration date. Notwithstanding, there is no time limit for filing an invalidation action against a mark registered in bad faith. This kind of action is heard at first instance by the head of INAPI and at second instance by the Industrial Property Court. In some circumstances, decisions of the Industrial Property Court may be appealed before the Supreme Court.

With the changes introduced by Amendment Law 21,355, a revocation action for lack of use is now available in Chile. As of 9 May 2022, the following revocation scenarios are possible.

First, for new trademarks, a registration granted after 9 May 2022 will be cancelled if the trademark has not been put to real and effective use in the Chilean territory within five years of when registration was granted, either by the owner or by a third party with his or her consent, to distinguish one or more of the goods or services for which the registration was granted; or use was suspended without interruption for the same period.

Nevertheless, Amendment Law 21,355 grants a grace period for those trademarks that were registered prior to 9 May 2022, establishing that, in such cases, the term to exercise the revocation action for lack of use will be counted from the first renewal occurring after 9
May 2022. The revocation action can also be exercised as a defence against a demand for opposition or invalidation.

Last, regarding the real and effective use of products and services in the market, since no cases have yet been presented, no jurisprudence or criteria in this regard have been established by the TMO, the Industrial Property Court or the Supreme Court.

Second, the modification that brought these rules into force also established a cancellation action for when a trademark has become generic. This action can be exercised as of the entry into force of Amendment Law 21,355, that is, from 9 May 2022.

**NEW DEADLINES TO RENEW TRADEMARKS**

Prior to the enactment of Amendment Law 21,355, Law 19,039 stated that renewal could be requested only within 30 days of the expiration date of the trademark registration. Payment of fees could be made within six months of expiry of the trademark, subject to a surcharge of 20 per cent for each month that elapses, counting from the first month to elapse after the initial 30-day term.

Previously, renewal fees could only be paid once the TMO had accepted a renewal. The TMO then modified its practice to be in line with the provisions of the Trademark Law Treaty and its Regulations, which apply as of 1 April 2021, ceasing ex officio to apply the rule that had set the 30-day term to apply for renewal as this had become ineffective following Chile’s ratification the Trademark Law Treaty. Thus, it was expressly recognised that renewal could be requested up to six months after expiry of a trademark registration, subject to the same surcharges that were previously established; however, it is now possible to request renewal and pay the fees at the same time.

Amendment Law 21,355 has incorporated into Law 19,039 the practice adopted by the TMO as of 2021. It has also established by law that an application for renewal can be submitted for a maximum of six months before expiry of the trademark. Prior to 1 April 2021, this term was one year before expiry of the trademark.

With these amendments now in place, the Trademark Law Treaty is being correctly implemented in Chile as regards renewals. Owners of trademarks in Chile are using these new deadlines and the TMO has duly recognised them in practice and through its online platform.

**REGULATION OF COLLECTIVE AND CERTIFICATION MARKS**

Prior to the enactment of Amendment Law 21,355, collective and certification marks were regulated by the TMO but not by law. The express incorporation of collective and certification marks under IP Law 19,039 has been a big step towards their regulation.

The following definitions now apply:

- Collective trademark: Any sign or combination of signs capable of distinguishing in the market the products or services of the members of an association with respect to the products or services of third parties.

- Certification mark: Any sign or combination of signs capable of distinguishing in the market the products or services of third parties, guaranteeing that they comply with common requirements and characteristics.
Certain particularities of each of these marks are now mentioned in Law 19,039: (1) a collective mark may not be assigned to third parties; (2) those who manufacture or market products or services that are identical or similar to those to which a certification mark is to be applied may not be holders of such a mark; and (3) the owner of a certification mark must authorise its use to anyone who complies with the conditions established in the regulations for the use of the mark.

Perhaps the most important requirement for both types of marks is to file with the TMO a regulation of use of the mark, which must contain, among other things:

- the individualisation of the products or services that will be distinguished by the collective mark, or the products or services that will be the object of the certification;
- the conditions and modalities for the use of the mark;
- the circumstances under which someone may be denied the right to use the certification mark;
- the requirements for affiliation of a collective mark;
- a description of the methods of control of a mark;
- the rights and the duties of the users of a mark, and the sanctions for non-compliance by users; and
- the manner of modifying the regulations for use.

Furthermore, the TMO has the power to review and object to the regulation of use, at the stage of formal or substantive examination, if in its opinion the law has been infringed or if it contains provisions that are contrary to public policy or that may be misleading.

Other requirements of the regulation of use are established in Exempt Resolution 140 of 2022, which approves instructions for the processing of collective marks and certification.

Finally, since the modifications referred to above have not been introduced until recently, there are not yet any clear trends in these new types of trademark applications; however, these are likely to emerge by the end of 2023.

**IMPLEMENTATION OF MADRID PROTOCOL IN CHILE**

The TMO has decided to interpret the Madrid Protocol as being self-executing, and that, therefore, there is no need for a reform to Law 19,039 to apply it. Nevertheless, the TMO has drawn up instructions for the processing of international trademarks under the Protocol relating to the Madrid Agreement under Exempt Resolution 184 of 2022, which establishes the following, among other things:

- The national regulations will apply to the international trademarks of the Madrid Protocol, but subject to the particularities that the instructions establish.
- In the face of any conflict that arises between national regulations and the Protocol and its regulations, the latter will prevail.
- The instructions have set a period of 60 days, counted from the communication that the TMO makes to the International Bureau of the World Intellectual Property Organization (WIPO) on the provisional refusal, for the holder of the international registration to respond to an opposition or an ex officio objection. Note that the standard term established in Law 19,039 is only 30 days for both circumstances,
whether they are national or foreign applicants, which establishes an important difference that could be considered contrary to equality before the law.

• The foregoing presents a practical problem since it is unclear how or when the applicant and the opponent will become aware in the national file that the notice of provisional refusal has been sent by the TMO to WIPO, creating uncertainty for both parties.

• There is another practical problem in respect of the counterclaim for expiry because of lack of use that can be exercised by the defendant in an opposition procedure. In accordance with Law 19,039, that term is 30 days but in this situation, it could be extended to 60 days.

• An internal gazette has been created by the TMO to begin calculating the 30-day term established by Law 19,039 to file an opposition against the international trademarks that have been designated to Chile. This establishes an institution other than the one established in Law 19,039, which provides that publications, for the purposes of calculating the opposition period, must be made in the official gazette.

• The TMO has decided that it is not necessary for international owners to designate a representative in Chile except when they have to act before the TMO; however, the current regulations under Law 19,039 stipulate that foreign residents must designate a representative in Chile in any situation. This contradiction could create a further practical problem.

All these issues are under development, and we hope that they can be resolved soon, since it is important that users of the Madrid system have clarity regarding the way in which they can exercise their rights and that these are duly regulated.

Endnotes

1 Exempt Resolution 135 of 2022, which approves instructions for the processing of trademark matters.  ~ Back to section

2 Trademark Law Treaty, article 13(1)(c) and Regulations under the Trademark Law Treaty, Rule 8.  ~ Back to section
Dominican Republic: Key Improvements To and Challenges In the Current Trademark Prosecution Landscape

Yvie François, Pamela Hernández and Urko Ochoa

Summary

IN SUMMARY

DISCUSSION POINTS

REFERENCED IN THIS ARTICLE

TECHNOLOGICAL DEVELOPMENTS IN TRADEMARK PROSECUTION

NEW LAW AFFECTING SECURITY INTEREST REGISTRATION OF IP RIGHTS

CRITERIA ADOPTED BY LOCAL EXAMINERS IN ANALYSIS OF USE OF TRADEMARKS: PREPARATIONS FOR IMMINENT USE

UPDATES ON THE COMPETENCE OF CONTENTIOUS ADMINISTRATIVE JURISDICTION IN APPEALS AGAINST PTO DECISIONS

CHALLENGES IN PROTECTION: RECOGNITION OF TRADEMARKS AS BEING WELL KNOWN

CONCLUSION

ENDNOTES
IN SUMMARY
This article provides an overview of the most relevant improvements in the past couple of years in the prosecution landscape of Dominican Republic, including the issuance of digital certificates for registration, recordals in ownership and renewals, and recordals of pledges concerning IP rights. It also highlights relevant updates on how the protection of trademark rights can be affected by the criteria used by examiners and the courts. We also explore the main challenges of trademark protection, which primarily affect famous marks.

DISCUSSION POINTS
- Technological developments in the trademark prosecution field
- New pledge law that affects security interest records for trademarks
- Recent criteria adopted by examiners in analysing the use of trademarks
- Updates on the competence of contentious administrative jurisdiction in appeals against Patent and Trademark Office (PTO) decisions
- Approach by the PTO in the recognition of well-known trademarks

REFERENCED IN THIS ARTICLE
- Decree No. 260-18
- Law 20-00 on Industrial Property, article 95
- Law 45-20 on Security Interest on Movable Property
- Electronic System of Security Interest on Movable Property (SEGM)
- Joint Recommendation Concerning Provisions on the Protection of Well-Known Mark approved by WIPO

The Dominican Patent and Trademark Office (PTO) is one of the most advanced in the Caribbean and Central America. Directors and examiners strive to keep up with the most relevant jurisdictions in the intellectual property (IP) field. Aside from the substance of the law, it is also pushing forward to apply technological tools to help with the prosecution of IP rights in the Dominican Republic.

The technological advances are also part of a more extensive government project, named 'Digital Republic', which consists of creating mechanisms to encourage innovation and competitiveness to facilitate trade and attract foreign investment. One of the main objectives of this project is to reduce unnecessary administrative hurdles, including the digitalisation of many services.

All of the above has triggered multiple digital developments, such as the issuance of digital certificates and the creation of a new system for the registration of pledges.

Furthermore, there have been notable decisions that shape considerations on the use of trademarks during a cancellation action proceeding, and updates on a long-standing dispute...
concerning the competence of the Supreme Administrative Court to rule on appeals against
decisions issued by the Dominican PTO.

Although all these advances are favourable and truly show the commitment of local
authorities to the protection of IP, there are still factors that can hinder the protection of
famous marks in the Dominican Republic.

TECHNOLOGICAL DEVELOPMENTS IN TRADEMARK PROSECUTION

Background

In 2018, the Dominican PTO issued Decree No. 260-18, which enabled a quicker registration
process for trade names and established a mandatory e-filing system for new trade name
and trademark applications.

Although this new system made it easier for the examiners to enter the information into
the Dominican PTO's database, in practice this had no benefit since the mandatory e-filing
system still had to be validated by hand to ensure a proper filing date.

What Is New?

During the pandemic, the Dominican PTO enhanced its efforts to provide a reliable online
platform, where no physical validation was needed. The complete prosecution process was
improved by removing paper registration certificates once and for all. In fact, official actions
and approvals were also being served in digital format through the Dominican PTO's system.

The following statistics show that implementation of the new system has generally resulted
in a consistent increase in the number of trademark filings.

Dominican PTO's Trademark Filing Statistics

<table>
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<th>Year</th>
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<tr>
<td>2019</td>
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</tr>
<tr>
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<td>10,158</td>
</tr>
<tr>
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<td>12,445</td>
</tr>
<tr>
<td>2022</td>
<td>13,655</td>
</tr>
</tbody>
</table>

In spite of the onset of the covid-19 pandemic early in 2020, trademark filings only decreased
by 3 per cent compared with 2019.

The same process of digitalisation was later followed for recording changes of address, for
which digital certificates were issued. The Dominican PTO also recently implemented digital
renewal certificates for trademarks and trade names.

These steps provide a more cost-efficient process for registrations, records and renewals,
since it allows smoother proceedings and removes the costs arising from sending original
copies of certificates by courier.

NEW LAW AFFECTING SECURITY INTEREST REGISTRATION OF IP RIGHTS

Background
IP owners have the ability to leverage IP assets by granting a creditor or lender security interest in all or any of their intellectual property.

These security interest agreements must be registered with the corresponding entity, which is usually the Dominican PTO. Prior to January 2023, the security interest agreements had to be registered with the Dominican PTO for them to have legal effect.

**Developments**

Law 45-20 on security interest on movable property, which came into force on 20 January 2023, also regulates IP rights as intangible property.

This new law creates a digital registration system for pledges – the Electronic System of Security Interest on Movable Property (SEGM) – the aim of which is to create leverage in movable property as a security interest by having a single system to streamline the registration, publicity and execution process.

**Important Changes**

**The Changes Introduced By Law 45-20 Include The Following:**

- **Legal effect:** Although Law 20-00 on Industrial Property provides that the legal effect of a security interest is upon registration with the Dominican PTO, the new law clearly states that the same has legal effect as soon as the agreement is signed by the parties, and it is effective against third parties when it is published by means of registration through the SEGM.

- **Registration system:** The registration of a security interest of intellectual property will be identical to all other personal property rights. Therefore, its registration will not be with the Dominican PTO but through the SEGM. In fact, the law requires the Dominican PTO to post a publication on its website indicating that the security interests affecting the IP rights that are managed by the PTO should be registered and published through the SEGM.

- **Effects on due diligence:** Investigations before the Dominican PTO will no longer be sufficient to clear trademarks and patents for potential assignments, mergers and acquisitions, or new pledges against IP rights.

- **Registration duration:** Registration under the SEGM is for five years, unless the parties agree otherwise, and may be renewed as needed.

Since Law 45-20 has come into force only recently, there are still many details to be defined by local authorities. It remains to be seen whether the Dominican PTO will check the SEGM before allowing registration of ownership or cancellations of trademark and patent registrations.

**CRITERIA ADOPTED BY LOCAL EXAMINERS IN ANALYSIS OF USE OF TRADEMARKS: PREPARATIONS FOR IMMINENT USE**

**Background**

Three years after the registration of a trademark, any interested third party may file a non-use cancellation action before the Dominican PTO. In this scenario, the owner of the challenged trademark must file evidence to prove use during the three years prior to the filing...
date of the non-use cancellation action or provide a reason that justifies the lack of use (the exception).

Among the permitted exceptions, the law clarifies that these are based on facts or incidents beyond the owner’s control, and does not include anything relating to insufficient economic and technical resources. A typical example is the process of obtaining licences or marketing authorisations for the commercialisation of controlled products.

Nevertheless, in the assessment what are acceptable causes, article 95 of IP Law 20-00 establishes that ‘the acts already carried out by the owner for the effective use of the trademark should be taken into account, provided that they reflect a serious intention to put the trademark into use and that such use would be imminent’.

What Is New?

This aspect was not previously considered at the local level to safeguard the rights of a registered trademark.

However, in a recent case,

local examiners took into consideration this line of argument, setting a valuable precedent by maintaining the registration of a trademark that was not being used in the market but had carried out preparations to put the mark into use in ‘imminently’. The novel aspects of the decision issued by the Dominican PTO are:

- email correspondence with local distributors for the commercialisation of the product in the Dominican Republic and to obtain marketing authorisation constitute sufficient evidence to show ‘a serious intention to use the trademark’;
- these acts must be carried out prior to the filing date of the non-use cancellation action; and
- evidence dated after the filing of the action is admitted as long as it is to prove ‘imminent use’ of the trademark, as the second requirement of the exception raised. In the aforementioned case, it was accepted that invoices and photos showing a certain date complied with the requirement.

The criteria followed by the Dominican PTO expand the precedents in this matter, helping trademark owners to be clear about the parameters under which the non-use exception would be accepted, and to protect the efforts already made to use the trademark in the territory.

UPDATES ON THE COMPETENCE OF CONTENTIOUS ADMINISTRATIVE JURISDICTION IN APPEALS AGAINST PTO DECISIONS

Background

The competence of the Supreme Administrative Court to rule on appeals against decisions issued by the Dominican PTO has been a matter of national controversy for many years now. The discussion has arisen because although the Trademark Law assigns jurisdiction to the civil and commercial courts, a subsequent legislative reform gave rise to contentious administrative jurisdiction and the creation of the Supreme Administrative Court for that purpose. In this conflict of laws, it was not clear whether a decision issued by the Dominican PTO should be appealed before the civil and commercial courts (following Trademark Law) or the Supreme Administrative Court (following the Contentious Administrative Procedural Law).
Although there had already been cases in which the Supreme Court of Justice (SCJ) confirmed the competence of the Supreme Administrative Court where there was only one party involved, some players still considered the civil and commercial courts as the competent courts for when a dispute involved adverse parties, other than the Dominican PTO (eg, an opposition or a nullity action).

**What Is New?**
In a recent case, the Supreme Administrative Court issued a decision that confirmed its own competence to rule on appeals against decisions issued by the Dominican PTO, including when the administrative case involves adverse parties other than the PTO.

This decision is a relevant step forward in the consolidation of the contentious administrative jurisdiction over decisions by the Dominican PTO, bringing clarity to this procedural question and paving the way for the long-awaited specialist IP court in the Dominican Republic.

**CHALLENGES IN PROTECTION: RECOGNITION OF TRADEMARKS AS BEING WELL KNOWN**

**Background**
For many years, the Dominican PTO was flexible in the recognition of a trademark as being well known. Evidence of a trademark’s reputation within the Dominican territory or even, in some cases, evidence from neighbouring jurisdictions, such as recognition in the field of endeavour by third parties, trademark rankings, local and foreign advertising materials or news articles, were all accepted to recognise the reputation of trademarks.

Although the flexibility of the Dominican PTO was usually guided by initial subjective impressions when analysing the evidence provided, this flexible approach led to the protection of international brands known worldwide.

**Dominican PTO’s Current Approach**
During recent years, the Dominican PTO has adopted a progressively stricter approach in the recognition of famous and well-known trademarks by claiming that it follows the Joint Recommendation Concerning Provisions on the Protection of Well-Known Mark issued by the World Intellectual Property Organization (WIPO), which states:

[1] [Factors for Consideration] [a] In determining whether a mark is a well-known mark, the competent authority shall take into account any circumstances from which it may be inferred that the mark is well known.

[b] In particular, the competent authority shall consider information submitted to it with respect to factors from which it may be inferred that the mark is, or is not, well known, including, but not limited to, information concerning the following:

1. the degree of knowledge or recognition of the mark in the relevant sector of the public;
2. the duration, extent and geographical area of any use of the mark;
3. the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;

4. the duration and geographical area of any registrations, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark;

5. the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well known by competent authorities;

6. the value associated with the mark.\(^{[4]}\)

To apply such a disposition in the Dominican Republic, the Dominican PTO has stated in several decisions that reputation may essentially be established by use of local surveys or market studies, impliedly giving a secondary value to other means of proving reputation. The list of acceptable evidence, by order of relevance, is currently as follows:

- market studies or surveys regarding market share or awareness of the trademark concerned in the Dominican Republic, by an independent or certified agency;
- evidence of sales and advertising expenditure in the Dominican Republic provided in the form of a statement by a third party (eg, auditor or advertising agency);
- evidence of exposure in local media (eg, press notes or articles, advertising samples, visits to official websites or social network profiles);
- brand rankings or recognition by associations; and
- evidence of registrations worldwide.

This strict approach leads examiners to disregard other type of evidence that may also prove the reputation of trademarks, leaving multiple famous marks unprotected or at least without the broader scope of protection that would provide recognition of their reputation in the relevant field.

After many years without official recognition, the Dominican PTO recognised GATORADE in 2020 as a well-known mark for sports beverages and water consumed during sports activities in class 32. However, this decision follows the same strict approach (ie, market studies are to be filed in order for the examiners to recognise the well-known character). The main reasoning in the decision is as follows:

WHEREAS: After evaluating the abundant evidentiary evidence submitted by the appellant, it is necessary to point out that this Direction of Distinctive Signs has been able to verify the well-known character of GATORADE as a world mark for “sports drinks and waters consumed at times of sport” in international class 32. In this sense, we have been able to validate that GATORADE has a special recognition within the consumer public that distinguishes and prefers it within the category of “sports drinks and waters consumed at times of sport”, as evidenced by the different market studies provided by the appellant, duly stamped and signed by the responsible person, where the place of preference that the mark GATORADE (WORDMARK) occupies against products of the same category is visualized. Likewise, the evidence provided shows the geographical scope of the trademark, which is present in all regions of the
country, in addition to sponsoring fairs and sports activities nationwide. All the above, as a result of the intense advertising work carried out by its owner, since it is frequent to visualize propaganda and promotions of the trademark, in the different newspapers of national circulation, some of them deposited in the framework of the present appeal in addition to the strong presence it has in social networks.

Analysis of this case, in comparison with several others, shows that the relevant factor taken into consideration by examiners is the market studies and that those market studies not only show the market share in the Dominican Republic of the good or service under the trademark in question, but also shows ‘that the consumers prefer it’, the latter clearly being a subjective conclusion by the examiners.

The main challenge in this is that most famous international brands do not usually have market studies for all jurisdictions, which would be extremely costly. Indeed, the Dominican market is quite small and, therefore, it might not be considered a worthwhile expense by the trademark owners. For other brands, market studies remain confidential and may not be disclosed to the public or to competitors. All the evidence submitted before the Dominican PTO is publicly available.

Nevertheless, the Dominican PTO claims to act under the strict approach of the Joint Recommendation Concerning Provisions on the Protection of Well-Known Mark issued by WIPO, which also states that:

> guidelines to assist the competent authority to determine whether the mark is a well-known mark, are not pre-conditions for reaching that determination. Rather, the determination in each case will depend upon the particular circumstances of that case. In some cases all of the factors may be relevant. In other cases some of the factors may be relevant.

Therefore, there is room for flexibility and it is hoped that the Dominican PTO will soon change its approach and extend the scope of protection to famous trademarks.

**Duration Of Well-known Character Recognition**

The aforementioned decision by the PTO introduced an additional component to the well-known character of a trademark, namely that once it has been recognised, that recognition is awarded for five years. In other words, the reputation of the trademark concerned does not have to be proven again within the following five years.

This approach is completely new since, in the past, the trademark owners had to provide evidence of reputation in each case where well-known character dispositions were being claimed.

Although the Dominican Republic does not have a registry for famous marks (as in Mexico, for example), the granting of the well-known character for five years has a similar effect. However, this is subject to analysis of the case before the national office and not through an independent request for recognition as in other jurisdictions.

**CONCLUSION**

As demonstrated above, the Dominican Republic continues to make progress in the protection of trademark rights.
Improvement in technology distinguishes the Dominican PTO from other national offices in the Caribbean and Central American regions and offers trademark owners advantages that translate into stronger trademark protection and, therefore, attracts foreign investment.

The improvements have also introduced substantive developments, as in respect of cancellation actions for non-use protecting a trademark owner's investments within the Dominican territory.

Moreover, recent court decisions have paved the way for a specialist IP court, which would significantly enhance protection and legal security.

Finally, it remains to be seen whether the Dominican PTO will make progress in the coming years as regards the protection of famous brands, which is currently one of the main challenges at a local level.

Endnotes

1 Law 20-00 of Industrial Property, article 93. Back to section

2 Case decision no. 000275 of 22 October 2021 issued by the Dominican PTO legal department. Back to section

3 Decision no. 0030-1647-2022-TSEN-00001 of 28 February 2022 issued by the Supreme Administrative Court. Back to section

4 ‘Joint Recommendation Concerning Provisions on the Protection of Well-Known Mark’, adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of WIPO, article 2, paragraph (1), clauses (a) and (b), items 1 to 6. Back to section

5 Case decision no. 000224 of 12 June 2020 issued by the Dominican PTO legal department, page 13 (emphasis added). Back to section
Mexico: Declarations of Use, How to Avoid Losing Trademark Rights

Alonso Camargo
OLIVARES

Summary
IN SUMMARY

The declarations of use introduced into Mexican law in 2018 have without doubt been a good initiative for starting to clear the register of trademarks that were no longer of interest to their owners and were blocking the registration of new marks. However, the lack of harmonisation between Mexican law and international treaties, particularly the Madrid Protocol, can have bad consequences for some international users, who may lose any trademark rights derived from confusing or unclear regulations.

DISCUSSION POINTS

• Overview of the two types of declarations of use
• Trademarks subject to these requirements
• Evidence of use
• Time limits for filing declarations of use
• Practical recommendations

REFERENCED IN THIS ARTICLE

• Mexican Industrial Property Law
• Agreement for modification of the Guidelines established to process applications, petitions and promotions presented in accordance with the Protocol concerning the Madrid Agreement regarding the International Registration of Trademarks, before the Mexican Institute of Industrial Property
• Federal Law for the Protection of Industrial Property

One of the important changes to the Mexican Industrial Property Law, which came into force as of 10 August 2018 and were incorporated into the new Federal Law for the Protection of Industrial Property (FLPIP, in force since 5 November 2020), was a declaration of actual and effective use introduced as a requirement for maintaining trademark registrations granted in Mexico.

The aim of introducing this requirement into the law was to clear registered trademarks that were no longer of interest to their owners and were blocking the registration of new marks. An example of an industry practice to which this provision was addressed was in the pharmaceutical industry, where it has been a common practice in Mexico to request trademark protection for several candidate marks, in order to have a number of alternatives to match all the possible names that may be approved for marketing authorisation; however, once the marketing authorisation was obtained, the unused candidate marks registered with the Mexican Institute of Industrial Property (IMPI) were left on the register, despite no longer being of interest to the owner.

The declaration of use is a two-stage requirement, namely:

1.
a one-time declaration of actual and effective use that must be submitted within three months of the third anniversary of the date on which registration in Mexico was granted; and

2. a declaration of actual and effective use of the registered mark to be submitted with each renewal application (every 10 years).

This regulation also applies to international registrations derived from the Madrid System designating Mexico.

TRADEMARKS SUBJECT TO DECLARATION REQUIREMENTS

The requirement under stage 1, above, applies to all registrations granted in Mexico as of 10 August 2018, regardless of the date of filing, whether the registration was obtained through the national route or through the Madrid System.

The new regulation in respect of stage 2, above, applies to all registrations (including international registrations designating Mexico) for which renewal was due on or after 10 August 2018; however, the requirement does not apply to those registrations derived from an international registration for which renewal is due prior to the third anniversary of the date on which protection was granted in Mexico.

EVIDENCE OF USE

No evidence of use should be filed with IMPI at the time of filing the declarations of use. In both cases, IMPI has published official forms, which are to be completed by local representatives on behalf of the trademark owners, filling in the specific goods or services of which the trademark owner confirms actual and effective use in Mexico. Mexican law establishes that use of a trademark exists when the products or services identified with the mark are available for Mexican consumers.

Although the mere availability of a given mark may not suffice to successfully defend a non-use cancellation action, for the purpose of a declaration of use, such use should be sufficient.

As regards stage 1 of declaration of use, the scope of protection of the registration will be restricted to the goods on which the actual use is declared; however, regarding renewals, the renewal certificate will reflect the restriction of the protection in accordance with the submitted declaration of use.

The intention of this provision in law is that registrants declare use only in connection with goods or services that are actually used; however, no evidence of use is required and in practice there are no sanctions for declarations that specify all the goods or services covered by the registration. The only consequence that can be foreseen if a declaration specifies all the registered goods or services, but the mark is actually used with only some of the specified services, is that if a partial non-use cancellation is requested by a third party, it would be successful in respect of those goods for which the registrant is not able to demonstrate use. No additional consequences have been foreseen in practice for a false or inaccurate statement per se that may negatively affect the validity of the registration in its entirety.

It is important to highlight, however, that failing to file a declaration at both stages in accordance with the established terms results in the automatic lapsing of the registration.
Although Mexican law establishes an exemption for cancelling a registration for non-use when the non-use derives from circumstances beyond the control of the registrant, such as government restrictions, surprisingly, a similar treatment was not provided in respect of the declaration of use.

**TIME LIMITS FOR FILING DECLARATIONS OF USE**

The time limit for filing a one-time declaration of use is three months after the third anniversary of the registration date; no extension of this term is allowed. This time limit is the same for international registrations designating Mexico; however, it is important to note that statements granting protection that are issued to holders of international registrations by the International Bureau do not specify the date on which protection was granted in Mexico. It is therefore necessary for holders of international registrations to access the Mexican Trademark Office's database, on which the base date is clearly stated. It is easier to obtain this information if the owner of an international registration designating Mexico has appointed a local agent for recovering the national registration certificate. The local agent can record the necessary information on dockets for future use.

Furthermore, the law establishes that a declaration of use must be filed with all applications for renewal.

An application for renewal of a national registration is more straightforward as the renewal application form contains the declaration of use. Therefore, the party applying for renewal automatically declares use of the mark when completing the form. The only requirement is to specify on the form the products or services actually used.

In respect of Mexican registrations derived from international registrations that are renewed directly before the World Intellectual Property Organization (WIPO), it can be difficult for trademark owners to be certain about the term for filing the declaration of use, since the renewal application form filed through WIPO does not contain any section nor any indication as to how to comply with this legal requirement under the Mexican Trademark Law.

After the declaration of use requirement was introduced in 2018, IMPI issued an internal administrative agreement entitled ‘Agreement for modification of the Guidelines established to process applications, petitions and promotions presented in accordance with the Protocol concerning the Madrid Agreement regarding the International Registration of Trademarks, before the Mexican Institute of Industrial Property’, in which it was specified that for those registrations renewed by virtue of the Madrid System, the declaration of actual and effective use must be filed before the Mexican Trademark Office within two months of the date on which WIPO notifies the renewal of the international registration.

However, as the above administrative agreement was published in Mexico, and only known of in Mexico, international trademark owners who designated Mexico through an international registration, but did not appoint a local representative, were not aware of the existence of this agreement nor of its contents, which has resulted in many trademark registrations lapsing owing to the lack of filing of declarations of use.

Consequently, the new FLPIP (in force since 5 November 2020) introduced a new provision to resolve this situation. Article 237 of the FLPIP establishes in its fourth paragraph that if the declaration of use is not filed with a renewal petition, IMPI will issue an office action granting a non-extendable term of two months to comply with the requirement.
This change is particularly relevant to trademark registrations obtained through the Madrid System, because the renewal format used does not include a declaration of use (as required by the new Mexican IP Law), resulting in uncertainty about the deadline for filing the declaration. Although the new provision was intended to offer a greater degree of certainty to users of the Madrid System as to when it is necessary to file a declaration of actual and effective use after applying for renewal before WIPO, there is a further problem. Since the office actions issued by IMPI to grant the two-month term for registrants to comply with the declaration of use requirement are only published in the Mexican Industrial Property Gazette, which, again, is published only in Mexico, thus, international trademark owners who designated Mexico through an international registration but did not appoint a local representative will not be aware of the existence of these office actions and, therefore, are very likely to lose their rights.

In light of the above situation, and until a new way to communicate the deadline for complying with these requirements to trademark owners is implemented through WIPO, international users of the Madrid System who designate Mexico in their international registrations can avoid the risk of losing their trademark rights in Mexico by appointing a local representative as soon as they have been issued with the statement of grant of protection by WIPO.

Endnotes


2 https://www.diputados.gob.mx/LeyesBiblio/pdf/LFPPI_010720.pdf

3 Fecha de Concesión.

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## United States: Common Mistakes in Prosecuting Trademarks and How to Avoid Them

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### Summary

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United States: Common Mistakes in Prosecuting Trademarks and How to Avoid Them

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IN SUMMARY

Although trademark registration with the United States Patent and Trademark Office offers a plethora of rights, it is crucial for trademark owners to be aware of the many pitfalls – for example, with regard to the proper and timely identification of all goods and services intended to be covered by an application – before embarking on prosecution.

DISCUSSION POINTS

• Critical elements of a trademark application
• Declaration of use
• Opposition and cancellation

REFERENCED IN THIS ARTICLE

• Trademark Manual of Examining Procedure
• Accelerated Case Resolution programme
• Trademark Modernization Act
• Post Registration Audit Program

REGISTRATION AND COMMON LAW RIGHTS

Trademark registration with the United States Patent and Trademark Office (USPTO) provides the owner (or registrant) with multiple rights, including:

• the exclusive and presumptive right to use the registered trademark in connection with the goods or services listed in the registration throughout the United States;
• the ability to sue for trademark infringement in federal court;
• the ability to register the trademark with US Customs and Border Protection to help prevent the import of counterfeit goods;
• the ability to use the ® symbol to indicate trademark registration; and
• the ability to use the trademark registration as evidence of ownership and priority of use in any dispute.

However, trademark registration in the United States is not mandatory and one can acquire common law rights simply by using a trademark in US commerce. Common law provides some but not all of the rights of a registration, including establishing the right to use the trademark in connection with the goods or services, and the ability to sue for trademark infringement in federal court or oppose a trademark before the USPTO's Trademark Trial and Appeal Board (TTAB).

TRADEMARK APPLICATION ELEMENTS

Mark
The United States has a broad definition of what may constitute a trademark for registration purposes.

- words;
- designs;
- slogans;
- sounds;
- colours (eg, Nestlé's use of yellow for packaging);
- shapes or trade dress (including packaging);
- scents (eg, Hasbro's vanilla scent); and
- motion marks (eg, the HBO ENTERTAINMENT moving mark).

Despite this broad list, there are some categories of terms that cannot be registered. For instance, generic terms, that is words commonly used to describe a particular good or service, such as ‘chair’ to identify chairs; however, in June 2020, the US Supreme Court held that Booking.com was entitled to registration, rejecting the USPTO’s position that Booking.com was per se generic.\(^1\) Similarly, generic product designs cannot be registered.\(^2\)

The Supreme Court also held in June 2020 that the prohibition under the Lanham Act (the primary federal trademark statute of law in the United States) on registering ‘immoral . . . or scandalous’ trademarks\(^3\) violates the First Amendment of the US Constitution.\(^4\) The Supreme Court reasoned that the USPTO's refusal of an application for the term FUCT for clothing as immoral and scandalous under the Lanham Act discriminated against speech based on its content. Despite this, the same business owner as in the Iancu v Brunetti case attempted to register FUCK for phone cases, jewellery, bags and retail store services.\(^5\) The Trademark Trial and Appeal Board affirmed the refusals to register the mark on the grounds that FUCK fails to function as a trademark because it is so commonly used and it does not indicate the source of the goods. The applicant's request for reconsideration is pending.

Finally, government symbols or insignia cannot be registered. The USPTO provides a list of protected names, including Little League, Peace Corp and Red Cross.\(^6\)

Applicants should conduct a trademark search to establish whether there are earlier users of their proposed mark. This can provide information beyond third-party use. For example, a search can be conducted to develop a more informed idea as to whether or not the mark may be more descriptive than initially understood. The search, or clearance process, is also when the business owner should take the opportunity to consider future expansion, the legal protectability of the proposed mark, and any meaning that could be detrimental to the mark's use. It is advisable to conduct the early clearance of a trademark before there has been any significant expenditure on branding.

A common mistake at this stage is not being aware that once an application is filed and the mark is identified, in most cases, it cannot be amended, or it will be considered a ‘material alteration’ of the mark.\(^7\) Therefore, it is important to be strategic about the exact trademark to include in the trademark application; for example, a design element may help if the trademark may be considered descriptive. Alternatively, including words may help with gaining registration for product packaging.

**Applicant**
Identifying the applicant can be difficult if the applicant company is one of several related entities. The applicant should be the entity that has the bona fide intent to use the mark in commerce, or the entity that is using the mark in commerce or controlling the quality of the goods and services offered under the mark.

A common mistake is that, although some ownership issues can be corrected by assignment (see below), in some cases, if the applicant is not properly identified, the trademark application may be void from the start.

**Identification**

Proper identification of goods and services, like the proper mark, is critical to a successful application. Once an application is placed on file, an identification cannot be expanded – any expanded changes will be considered ‘beyond the scope’ of the original identification and will not be accepted.

The United States allows for multi-class applications, wherein the applicant can identify goods or services in more than one class in the same application. The USPTO also allows applicants to file a TEAS Plus application,[8] wherein the applicant selects goods or services from the USPTO’s identification of goods and services manual for reduced filing fees. The TEAS Plus option has the benefit of approved identifications; however, many new technology terms do not appear in the manual, so this option is not always available.

A common mistake by business owners is not ensuring that they identify all the goods or services intended to be covered by any single application from the start. Nevertheless, there may be strategic reasons to include or not include items; for example, to avoid potential refusal from the USPTO because of a likelihood of confusion with a prior filed application or registration.

**BASIS**

There are several bases on which a trademark application can be filed: use; intent to use; a foreign application or registration; and a Madrid Protocol application.

Selection of the proper basis (or multiple bases) is critical. Although there may be a cost saving to file based on a Madrid application with other designations, the restrictions of the Madrid system may prove to be detrimental; for example, a Madrid application cannot be amended to the Supplemental Register (see discussion below).

**Register**

The United States has two registers – the Principal Register and the Supplemental Register. The Supplemental Register is for marks that are not as strong or distinctive as those on the Principal Register, including descriptive marks, geographical indications, surnames and trade dress. There are some benefits to registration on the Supplemental Register, such as being able to use the ® symbol and providing constructive evidence and notice of ownership and priority of use. However, it is not prima facie evidence of the validity of the registration, or of the ownership of the mark or of the exclusive right to use it. It is also important to note that seeking registration on the Supplemental Register requires either use of the mark in the United States, or a foreign application or registration, but an application filed under the Madrid Protocol is not eligible.[9] In the case of an application based on use, an amendment to the Supplemental Register may change the filing date of the application, and a new search may be conducted by an examining attorney. Furthermore, when an application that has been
amended to the Supplemental Register has been approved, it is not published for opposition, as are applications seeking registration on the Principal Register.

**Acquired Distinctiveness**

The United States also allows an applicant to provide evidence of acquired distinctiveness in an otherwise descriptive mark that will allow it to be registered on the Principal Register. Many of the non-traditional trademarks, such as colour, packaging or sound marks, require evidence of acquired distinctiveness before they can be registered on the Principal Register because they are not considered inherently distinctive.

**Use**

Allegations of use in the United States require proof of use of the mark on the goods and in advertising for services. When preparing any allegation of use, it is important to make sure that there is use on every item listed in the identification of goods or services before the applicant signs either a use-based application or a statement of use filed in connection with an intent-to-use application. Third-party cancellations based on fraud in the filing of an allegation of use are still available.

It is important to note that the USPTO’s requirements of this proof have become very stringent in recent years for many reasons, including the proliferation of fake specimens created to make it look like a mark is in use when it is not actually in use. The USPTO issued an updated examination guide in 2019 to address digitally created or altered and mock-up specimens.[10]

**PENDENCY**

According to the USPTO’s most recent statistics, the average pendency for a new trademark application to be examined is 8.5 months.[11] The time frame beyond that to registration can vary widely depending on the complexity of the application, the number of office actions issued and other factors.

In May 2021, the USPTO implemented the **Trademark Modernization Act**[12] by issuing new rules addressing:

- ex parte expungement and re-examination proceedings that allow third parties to petition to cancel a trademark registration on the grounds of non-use;
- shorter response times for office actions from six months to three months for all applications except for those filed under Madrid Protocol section 66(a) applications. There is an optional three-month extension with the payment of fees;
- letters of protest practice that established formal procedures to allow third parties to submit letters of protest to the USPTO to raise objections about a pending application; and
- the requirement that any applicant listing a foreign address must appoint a qualified US attorney as its representative before the USPTO and provide the attorney’s bar information.

**OPPOSITIONS AND CANCELLATIONS**

Trademark oppositions and cancellations are handled by the TTAB, which is an administrative tribunal of the USPTO. An opposition is where a party seeks to prevent the
registration of an applicant’s mark and a cancellation is where a party seeks to cancel an existing registration.

The grounds for opposition and cancellation are largely the same, with a few exceptions. A broad list of grounds is as follows:

- likely to cause confusion with a mark previously used in the United States;
- mark is descriptive, deceptively misdescriptive, geographically descriptive and (or) geographically deceptively misdescriptive;
- mark falsely suggests a connection to the opposer’s name or identity;
- mark is functional;
- mark is generic;
- no bona fide intent to use the mark at the time the application was filed;
- applicant is not the rightful owner of the mark;
- applicant’s mark would dilute opposer’s mark by blurring or tarnishment; and
- additional grounds for cancellation only:
  - mark has been abandoned; or
  - any mark issued on the Supplemental Register.

It is important to remember that the TTAB only decides registration of a particular mark. There are no determinations made regarding the right to use a mark; however, there are still distinct advantages in pursuing a TTAB proceeding, such as: (1) it is less expensive than litigation in district court; (2) it may be easier to resolve because the TTAB has a more flexible suspension schedule to allow for negotiations; (3) TTAB decisions can be persuasive in any subsequent federal court litigation should a determination on use be necessary later; and (4) it can be leverage to negotiate terms, including use between the parties.

It is rare that oppositions and cancellations proceed through to decision, but when they do, they typically take about four years to resolve. The vast majority (estimated at about 90 per cent) of oppositions and cancellations settle during discovery before testimony is taken.

**Accelerated Case Resolution**

Parties involved in an opposition or cancellation proceeding before the TTAB have the option to use the Accelerated Case Resolution programme, which is a voluntary programme initiated by the agreement of both parties. It involves a streamlined process with limited discovery and a shortened timeline for the resolution of disputes to provide a faster, less expensive and more efficient alternative to the traditional opposition and cancellation proceedings.

**DECLARATIONS OF USE**

Regardless of the original basis of the application, registrants are required to file a declaration of use (DOU) (or excusable non-use) between years five and six from the registration date and then in 10-year increments. The DOU includes a declaration by the registrant or its authorised agent declaring current use of the mark in connection with all the listed goods and services and must include at least one specimen per class demonstrating use of the mark in US commerce.
After five years of continuous use, trademark owners may also include a declaration of incontestability under section 15 of the Trademark Act. Only marks that are registered on the Principal Register may achieve incontestable status, which limits the grounds on which a trademark’s validity can be challenged.

It is crucial that the information and statements provided in a DOU and a claim of incontestability are accurate and truthful. False statements can be grounds for the USPTO to cancel a trademark registration. In a case heard in 2019, the TTAB granted cancellation of the registration of the mark DANTANNA’S owing to intentionally false statements by the owner on the claim of incontestability form, on which the owner stated that there were no proceedings pending against the Great Concepts’ registration when there was one.

Note also that, in 2017, the USPTO started its Post Registration Audit Program wherein a random selection of trademark DOUs are selected to require additional evidence of use of the mark. The programme was intended to improve the accuracy and integrity of registered trademarks. If a registrant is not able to provide specimens of use on requested goods or services as listed in the registration, those goods or services must be removed from the registration at a cost of US$250 per class.

LICENSING

A trademark licence allows a trademark owner (licensor) to authorise a third party (licensee) to use its trademark in connection with certain goods or services while the licensor continues to own the trademark. A licence should preferably be written and identify the scope of the licence by identifying the mark and goods and services, including quality control provisions regarding the use of the mark, and terms for termination of the licence.

It is a common mistake for a licence not to include provisions for quality control regarding the use of the mark, which may render it invalid. It could also result in the abandonment of the licensed mark.

ASSIGNMENTS

Ownership of a trademark in the United States can be transferred through a trademark assignment whereby the owner (assignor) assigns the trademark to a third party (assignee). To transfer ownership, the parties must execute a written agreement that identifies the trademark being transferred and sets out the terms of the transfer. The trademark assignment should also be recorded with the USPTO to ensure that the transfer is reflected in the USPTO’s records.

Before assigning or acquiring a trademark, each party should conduct due diligence to ensure that the trademark is free and clear of any encumbrances and that the assignor has clear title to the mark.

SUMMARY OF KEY STAGES

Conduct A Trademark Search

Before filing a trademark application, it is important to conduct a comprehensive trademark search to ensure that the trademark is available for use and registration. The United States is a first-to-use jurisdiction so searching the USPTO database as well as common law uses is imperative.

File A Complete And Accurate Trademark Application
The trademark application should be complete and accurate, including all necessary information and specimens of use, if applicable. Any errors or omissions could result in delays or even rejection of the application.

**Avoid Presumptive Abandonment**

Three years of non-use of a registered mark in the United States is presumptive abandonment. It is important, therefore, for trademark owners to collect evidence of the use of marks in the United States, including specimens and invoices. According to the TTAB, 'holding a mark with no use, with only an intent to sell the mark at some time in the future, is not proof of present use or intent to resume use'. The USPTO and the TTAB aim to prevent this kind of ‘trademark squatting’; however, there are some circumstances under which the TTAB could consider a period of non-use excusable. In *ARSA Distributing, Inc v Salud Natural Mexicana SA de CV*,[18] the TTAB held that seven years of non-use were excusable because the trademark owner had to cease use of its mark because of government sanctions but had maintained the intent to resume use of the mark once the sanctions were lifted.

**File Declarations Of Use**

All US registrations, whether based on use of the mark in the United States, a foreign registration or the Madrid Protocol, must be maintained by filing a declaration of use of the mark between the fifth and sixth anniversaries of registration and prior to every 10th anniversary. If any goods or services are not in use, they should be deleted from the registration.

**Naked Licensing**

It is important for trademark owners wishing to license their mark to have a written licence with a clear quality control provision. A licence that does not include provisions for quality control is a naked licence, which could result in the abandonment of the licensed mark.

For an exploration of the tension between balancing First Amendment expression with Lanham Act trademark infringement claims in the media space, please see "Sidestepping the Rogers two-step: clearing entertainment titles in a crowded social space".

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**Endnotes**


5 *In re Erik Brunetti*, 2022 USPQ2d 764 (TTAB 2022).

7 TMEP, §1215.08.


9 TMEP, §816.04, §1014.


15 See https://www.uspto.gov/trademarks/maintain/post-registration-audit-program.

16 Vans, Inc. v Branded, LLC, 2022 USPQ2d 742 (TTAB 2022).

17 When someone else registers a trademark for the purpose of later selling it for a profit or riding on the success of a brand.

18 2022 USPQ2d 887 (TTAB 2022).
Venezuela: Rejoining Andean Community Could be Seismic for Brand Owners

Ricardo E Antequera
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Summary

IN SUMMARY
DISCUSSION POINTS
REFERENCED IN THIS ARTICLE
GENERAL OVERVIEW
CURRENT IP REGULATORY FRAMEWORK
REGULATORY AGENCY
GENERAL PROVISIONS FOR PROTECTION OF TRADEMARKS
EXPECTATIONS AND HOPES FOR 2023
ENDNOTES
IN SUMMARY
This article reviews the most important aspects of the protection of intangible assets in Venezuela, from the most relevant current events to what to expect during 2023 in respect of regulatory matters.

DISCUSSION POINTS
• National overview
• Current regulatory framework relating to intellectual property
• Regulatory agency: National Intellectual Property Office (SAPI)
• General provisions for the protection of a trademark in Venezuela
• Expectations for 2023: what to hope for

REFERENCED IN THIS ARTICLE
• Organic Law of Special Economic Zones
• 2000 Constitution of the Bolivarian Republic of Venezuela

GENERAL OVERVIEW
During the past year, Venezuela has shown improvement in its macroeconomic policies and an openness and interest in foreign investment. Although the political operators have not changed, there have been some differences in practice.

The Organic Law of Special Economic Zones[^1] was enacted on 20 July 2022, with the objective of promoting national and foreign economic activity, diversifying and increasing exports, promoting the development of competitive advantages and creating new sources of employment (article 1). Despite some shortcomings, the law recognises the private sector as the main actor for the country’s economic development, which is a significant change, particularly after more than 20 years of attacks on private enterprise.

In the same vein, a Draft Organic Law for the Protection of Socioeconomic Rights has been prepared, which will replace the current Fair Pricing Law. The latter imposes excessive difficulties for the profitability and operation of the private sector, as well as severe administrative and criminal sanctions, which have been a significant limitation for foreign investment. The formal repeal and enactment of a new regulatory framework are expected, which will send out a positive and important message for private investment.

CURRENT IP REGULATORY FRAMEWORK
As a member of the World Trade Organization, Venezuela is subject to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). In addition, Venezuela has signed several international treaties in respect of intellectual property, including the following:

- Convention Establishing the World Intellectual Property Organization;
- Paris Convention for the Protection of Industrial Property;
- Berne Convention for the Protection of Literary and Artistic Works;
- Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations;
- Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms; and
- Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled.

REGULATORY AGENCY

The National Intellectual Property Office (SAPI), created in March 1997, is currently attached to the Ministry of National Commerce. SAPI has several directorates, including the Industrial Property Registry and the Copyright Division, both of which are coordinated by the General Directorate of Intellectual Property.

In matters relating to industrial property, all SAPI’s acts are notified through gazettes, which are published approximately every 45 to 60 days. The publication date establishes the start of the counting of the procedural lapses associated with any procedure.

GENERAL PROVISIONS FOR PROTECTION OF TRADEMARKS

Venezuela applies the general principle of ‘first in time, first in right’, so the first to file an application with SAPI will be given preference for the registration of a trademark. The main exceptions to this principle are the international priority under the provisions of the Paris Convention and well-known marks.

Currently, the Nice International Classification of Goods and Services is used. Additionally, there is a special class for trade names and another for commercial slogans.

The process of registration of a trademark is fairly consistent with international standards, beginning with the filing of the application, continuing with a first examination to verify compliance with formalities and publication for opposition purposes, followed by the examination of registrability and, finally, the notification of the grant or refusal of registration.

There is an additional element, however, in the current procedure as regulated by the Industrial Property Law of 1955, which stipulates that a publication must be made in a digital press outlet administered by SAPI, prior to publication in the Industrial Property Bulletin, which opens the period for the submission of objections and oppositions.

To act on behalf of a third party, an application for registration or any other action within a proceeding must be submitted along with a power of attorney, granted before a notary public and legalised through an apostille or before a Venezuelan consulate. If registration is granted in a language other than Spanish, it must be translated by a Venezuelan sworn public translator.
Among the grounds for rejection are absolute aspects such as descriptiveness, being generic or the use of official symbols, or relative aspects such as the likelihood of confusion. Venezuela recognises the concept of the well-known trademark from case law and decisions made by SAPI, since there are no express provisions on notoriety in the Industrial Property Law. Additionally, as Venezuela is a member of the Paris Convention, the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks of the World Intellectual Property Organization is also applicable.

The Industrial Property Law does not have any specific regulation for appellations of origin. However, in recent resolutions, SAPI has granted protection under the figure of geographical indications, all in accordance with the provisions of the TRIPS Agreement.

**EXPECTATIONS AND HOPES FOR 2023**

Although a draft Industrial Property Law has been submitted to the National Assembly, it is unclear whether it will be discussed during the next legislative period; however, it is still possible that it will be approved during 2023.

With the re-establishment of commercial and diplomatic relations between Colombia and Venezuela, approaches have also been initiated for the latter's return to the Andean Community system. In fact, in a presidential declaration of 4 November 2022, it was announced that '[W]e are determined to join the Andean Community of Nations'. If this were to materialise, one of its effects would be the application of the legal framework of the integration system, including Decision 351 Establishing the Common Regime on Copyright and Neighboring Rights and Decision 486 Establishing the Common Industrial Property Regime and its amendments, Decisions 632 and 689.

Moreover, Andean Community rules on matters that currently lack any internal regulation in Venezuela would also be applicable, such as Decisions 345 and 366 Establishing the Common Regime on the Protection of the Rights of Breeders of New Plant Varieties; Decisions 391, 423 and 448 Establishing the Common Regime on Access to Genetic Resources; and Decision 876 for a Common Regime on National Trademarks.

Finally, the Constitution of 2000 establishes the direct and preferential application of the rules derived from integration agreements. Therefore, once the formalities for Venezuela's reintegration into the Andean Community are fulfilled, the aforementioned regulations should enter into force immediately.

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**Endnotes**


Specialist Chapter: Common Mistakes to Avoid When Filing Trademark Applications in China

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Summary

IN SUMMARY
DISCUSSION POINTS
REFERENCED IN THIS ARTICLE
WHAT SHOULD BE KNOWN WHEN CHOOSING A TRADEMARK?
HOW TO CHOOSE GOODS AND SERVICES
FORMALITY ISSUES ARE ALSO IMPORTANT
ENDNOTES
Chinese trademark law and practice have characteristics distinct from their counterparts in other countries and areas. Many foreign applicants failed to obtain trademark registration in China because of their inadequate or improper understanding of the Chinese Trademark Law, the Implementing Regulations of the Trademark Law, and specific requirements of the China National Intellectual Property Administration (CNIPA). In China, once an application is filed, no amendment to the trademark specimen is allowed, nor can the designated goods or services be voluntarily amended either, unless the CNIPA so requires. This article provides some guidance on the common mistakes to avoid at the outset in filing a trademark application in China.

**DISCUSSION POINTS**

- What should be known when choosing a trademark?
- How to choose goods and services
- The importance of formality issues

**REFERENCED IN THIS ARTICLE**

- Provisions of the Supreme People’s Court on Several Issues Concerning the Trial of Administrative Cases of Trademark Authorisation and Confirmation
- Chinese Trademark Law
- Guidelines for Trademark Examination and Trial 2021

**WHAT SHOULD BE KNOWN WHEN CHOOSING A TRADEMARK?**

Suggestive Marks Face High Rejection Risk And Provide Limited Protection

It is advisable to choose a mark with strong distinctiveness, such as a fanciful or an arbitrary one, which will offer a strong level of protection against infringement. While suggestive marks may save time and cost in marketing and advertising to gain customer recognition, they leave their owners vulnerable to infringement, which could eventually cost even more. In Chinese examination practice, the boundary between a suggestive mark and a descriptive mark is considered vague. In other words, a suggestive mark is likely to be rejected on the grounds of lack of distinctive characteristics, and hence, it is difficult for these to be approved for registration.

- Case 1: the application for trademark ‘Chlorophyll TEA LEAF in logo’ on the goods “shampoo; anti-wrinkle cream; acne cream; hair generating oil; cosmetics”, etc, in Class 3 was finally determined as lacking distinctive characteristics by the Supreme People’s Court of China, even though the applicant argued that the trademark is a suggestive mark and not a descriptive mark. The Court held that when paying average attention, the relevant public would regard the trademark as a direct description of the characteristics of the raw materials, ingredients and other aspects of the above-mentioned goods, and in addition, the descriptive part of the trademark...
is not expressed in a unique way, which does not give the trademark a significant feature as a whole and, therefore, cannot serve to identify the source of the goods.\[3\]

- Case 2: Meishi Daren Company, the trademark owner of ‘85 °C’ series trademark, claimed that Bright Dairy Company used a label ‘85 °C’ identical to its registered trademark for similar goods, specifically, in a prominent position on the packaging of Bright Dairy’s ‘Youbei’ series of fresh milk products, and Bright Dairy also highlighted the label ‘85 °C’ in advertising. The first instance judgment held that Bright Dairy’s use of ‘85 °C’ constitutes infringement. Bright Dairy was dissatisfied with the decision and filed an appeal. The court of second instance deemed that Bright Dairy’s use of ‘85 °C’ on the accused infringing products is only for the purpose of explaining to the relevant public the process characteristics of its pasteurisation technology, which still falls within the scope of reasonable description of the characteristics of its products and does not constitute use of Meishi Daren’s registered trademark; rather, it is a legitimate use of expressing temperature and, therefore, does not constitute trademark infringement.\[4\]

From Case 1, we can see that a suggestive mark carries with it a high risk of being rejected, and it is quite hard to be granted the exclusive rights to the mark. On the one hand, this kind of trademark may lack distinctive characteristics or potentially mislead the relevant public regarding the goods; however, if the trademark is granted exclusive rights, it will pose a potential threat to the third parties’ use of the composing words even in a descriptive manner, as it will render the third parties hesitant about whether to use the words included in the registered mark, regardless of whether they are descriptive or not.

In Case 2, the likelihood of confusion among the relevant public is the key factor in determining whether trademark infringement is established. If a trademark is not of strong distinctiveness in distinguishing the relevant goods or is even not used thereon, its protection scope will be limited.

**It Is Not Advisable To Include A Generic Term In A Trademark**

A generic term is likely to cause rejection due to it misleading the relevant public about the quality or other characteristics of the goods, and the chance of overruling the decision is very slim.

- Case 1: the application for trademark ‘FINESSEREFLEX’ for “surgical instruments and instruments for ophthalmology” was finally determined as lacking distinctive characteristics by the High People’s Court of Beijing Municipality, even though the same trademark had been approved for registration in many other countries.\[5\] The Court held that when used for ”surgical instruments and instruments for ophthalmology”, the trademark would be regarded as the combination of the word ‘FINESSE’, meaning “refinement or delicacy of workmanship, structure, or texture”, and the word ‘REFLEX’, meaning of “mirror lens”. Therefore, it was deemed that the trademark is descriptive and can hardly identify the source of the goods.

- Case 2: the application for trademark ‘Coldmelt’ on all the designated goods including “unprocessed plastics; metal foam; machines and apparatus for the treatment of materials; semi-processed plastics; concrete; plastic-based liquefiable dowels; glass fibers”, etc, in Classes 1, 6, 7, 17, 19, 20 and 21 was finally determined as lacking distinctive characteristics and rejected by the High People’s Court of Beijing Municipality.\[6\] The fact that the same trademark was approved for registration in
other countries did not contribute to the legal basis for approval in China. The Court opined that the trademark is the combination of the words 'Cold' and 'melt', which constitute a description of the characteristics or contents of the designated goods. Although the combination is a coined term, it would be easily perceived by the related public as two descriptive words, and hence each part of which will be taken into consideration by the Court.

In light of the above two cases, if a trademark includes a generic term or a combination of generic terms, and where the meaning of any such term has some connection with the characteristics of the designated goods, the trademark as a whole will probably be rejected.

There Is Not Only One Chinese Counterpart To A Trademark In Latin Alphabet

Chinese counterparts, based on transliteration of a Latin mark, could be numerous. They are generally regarded as dissimilar to each other, and thus there is no such thing as a universally recognised counterpart to prevent others from using different versions based on similar pronunciation. The registration of a trademark in letters does not protect the trademark against use or registration of a trademark in Chinese characters with the same or similar pronunciation, and vice versa. It is highly advisable to file an application for the registration of a Chinese version of a Latin mark. If there is not a ready Chinese name for a foreign brand, it is very likely that Chinese consumers will create one by way of translation or transliteration in actual use and the Chinese name is at risk of being squatted.

For example, the letters in trademark 'CATENI' have three syllables, which correspond to three Chinese characters. However, for each syllable, there are several different Chinese characters with the same pronunciation; that is, there is more than one Chinese counterpart for each syllable. The relevant Chinese public tend to write 'CATENI' in Chinese characters more often than in the Latin alphabet for the sake of language habits. In view of this, it is advisable to register a Chinese name for 'CATENI' and use that name for publicity purposes. Otherwise, the relevant public may use a Chinese name of their own choice, thus running the risk of any arbitrary version being pre-emptively registered by some unauthorised parties.

When A Trademark Comes From The Name Of An Enterprise

If a trademark contains the name of an enterprise, in its full form or an abbreviation, and the name is substantially different from the name of the trademark applicant, it will not be approved for registration. In addition, if a trademark only contains the applicant's full company name, or the distinctive part of which is just the applicant's full company name, it will be rejected due to lack of distinctive characteristics.

In one case, the application for trademark 'STRAIGHT2BANK' for the goods "computer; computer software", etc, in Class 9 was finally determined by the Beijing Intellectual Property Court as violating Article 10.1(7) of the Trademark Law, because the applicant's company name, STANDARD CHARTERED PLC, is inconsistent with the trademark, which includes the term 'BANK', and the trademark would mislead the relevant public that the goods come from banks or have special association with banks. Although evidential materials were filed by the applicant showing the use of the trademark, they were not adopted by the Court. Based on our experience, for the approval of an application for a trademark that includes the term 'BANK', it is required that the trademark applicant be a real bank and the term 'BANK' be included in the company name.
An Application For A Trademark Containing A Slogan Will Probably Be Rejected

A slogan is deemed as lacking distinctive characteristics under Article 11.1(3) of the Trademark Law. For example, the applications for 'WHEN TOMORROW FALLS'[^11], 'EXPANDING HUMAN POSSIBILITY'[^12] and 'LIFE WELL LIVED'[^13] were all rejected by the Chinese courts on the grounds of lacking distinctive characteristics, even though they had been approved for registration in many other countries and areas.

We recommend that when applying for a trademark in China, the mark should be identical to the version in actual use, including the capitalisation of the letters, especially when the designated goods are medical devices in Class 10, as the Chinese supervisory agency is quite strict about this class of goods.

**HOW TO CHOOSE GOODS AND SERVICES**

A common mistake of many trademark applicants is that they think an application in the name of a class heading can give them full protection for goods and services in that class. Actually, claiming the class heading does not mean full class protection in China. Adopting the local sub-class system for the goods and services is advisable. Take "clothing" in subclass 2501, designating "clothing" as the goods in a Chinese trademark application will not automatically encompass "shoes; hats; hosiery; gloves; scarves; waistbands".

It is advisable to designate the goods in both specific and broad categories to allow more smooth and flexible use of the trademark.

For example, some e-commerce platforms request that the name of the products to be sold should align with the goods recorded in the registration certificate or should at least be covered by the recorded goods in broad description. If the products differ from the goods in the recorded descriptions, the products will not be allowed to be sold on their e-commerce platforms.

For recordation of a trademark licence, if the goods have been designated as belonging to a very broad category only, such as "electronic machines", no specific goods such as "printers" can then be recorded as the licensed goods, because in licensing only the designated goods will be accepted.

It will be better if the applicant, when sending the instruction for a trademark application, also provides a brief introduction or a link to the goods, which can avoid mistranslation in the application as a result of language or cultural difference.

Most, if not all, of the goods and services in Nice Classification are acceptable in China, including "cryptocurrency"-related goods and services, "slot machines [gaming machines]" and 'online retail services for downloadable digital music". A comprehensive version of China's subclass system can be found at the [WIPO website][14].

**FORMALITY ISSUES ARE ALSO IMPORTANT**

All the components included in a trademark specimen to be filed should be clear; otherwise, a clearer version must be submitted. If the re-filed version is still unclear, the application will be rejected and the filing date will lapse. In light of this, if the trademark to be filed includes complicated components, the applicant should pay more attention to the image clarity of the trademark specimen to be filed.
For instance, a company filed an application for its package on which there are many components, among which the net weight part is too small to be recognised. The examiners required the applicant to file a clear specimen, but the re-filed image was still vague. Under this circumstance, the applicant has no further chance of filing a clearer version, nor will this unclear part be allowed to be removed from the filed application. The applicant, if they intend to remove the net weight part, must file a new application.

**File With The Valid Business Registration Certificate**

In some countries, the validity period of business registration is recorded in the business registration certificate. If the certificate expires when an application for trademark registration is filed, the application will be rejected. But if no validity period is indicated in the certificate, there will be no such kind of problem.

If a trademark contains Chinese characters or Japanese characters, but the writing is not identical to the Chinese standard characters, with some parts added or removed, it is likely that the registration of the trademark will be deemed as bringing negative influence, and the application will accordingly be rejected.

In one case, a company applied for the registration of trademark ‘', in which a vertical stroke and a horizontal stroke are missing from the standard character ‘’.

It was deemed that this could easily lead the public to believe that it is a modified Chinese character, which belongs to the non-standard use of Chinese characters and is misleading to the public, especially minors, and in this sense may have a negative influence on the culture, education and other social interests of the country.\[15\]

Filing applications for the same trademark in a large number of broad classes within a short period of time can expose the applications to the risk of being rejected. The CNIPA may suspect that the applicant has no intention of truly using the trademarks on so many goods and services in different industries, and that the applications are maliciously filed to occupy trademark resources. As such, the CNIPA may require the applicant to submit proof of use or intent-to-use for the trademark.\[16\]

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**Endnotes**

2. Provisions of the Supreme People's Court on Several Issues Concerning the Trial of Administrative Cases of Trademark Authorisation and Confirmation.  
3. Article 11.1(2) of the Chinese Trademark Law.  
5. The High People's Court of Beijing Municipality judgment (2020)JXZ7137.  
7. Article 11.1(3) of the Chinese Trademark Law. [Back to section]

8. Article 3.7.2.5 of the Guidelines for Trademark Examination and Trial 2021. [Back to section]

9. Article 3.3.10 of the Guidelines for Trademark Examination and Trial 2021. [Back to section]


11. The High People's Court of Beijing Municipality Judgment No. JXZ1306/2023. [Back to section]

12. The High People's Court of Beijing Municipality Judgment No. JXZ7251/2021. [Back to section]

13. The High People's Court of Beijing Municipality Judgment No. JXZ2214/2022. [Back to section]


15. The High People's Court of Beijing Municipality Judgment No. JXZ10006/2021. [Back to section]

16. Article 4 of the Chinese Trademark Law. [Back to section]
Specialist Chapter: How to Develop an Effective Regional Prosecution Strategy

Malavika T Vikram, Paramita Nandy Gupta, Nitin Abhishek and Sonu Shaji
De Penning & De Penning

Summary
IN SUMMARY

This article provides guidelines for developing an effective regional trademark prosecution strategy for the Asia-Pacific region. It sheds light on a few common challenges faced in maintaining a multi-jurisdictional trademark portfolio and provides solutions to avoid them.

DISCUSSION POINTS

• Prerequisites to trademark filing – due diligence
• National phase applications versus filing through the Madrid Protocol
• Trademark registration procedure in APAC countries
• Cost of filing trademark application
• Periodic audits of trademark portfolio
• Trademark watch

REFERENCED IN THIS ARTICLE

• WIPO Global Brand Database
• Indian Trade Marks Act 1999
• Trade Mark Law 2019 of Myanmar

INTRODUCTION

Jeff Bezos once said: "Your brand is what people say about you when you are not in the room."[1] This famous quote speaks volumes on the importance of a trademark. The journey from trademark registration to being viewed as a 'brand' is indeed an arduous task that requires thorough planning and strategy in successfully registering the trademark across different jurisdictions. In this article, the focus is on this process in the Asia-Pacific (APAC) region.

PREREQUISITES TO TRADEMARK FILING – DUE DILIGENCE

Trademark Search In The Relevant Classes

It is imperative to conduct due diligence prior to initiating and adopting a trademark. The first step is to conduct thorough trademark searches in the relevant jurisdictions, and there are approximately 40 countries in the APAC region.

A brief search can be conducted on the WIPO Global Brand Database to ascertain if there are any identical and similar trademarks existing in any jurisdiction in the APAC region. This search is subject to the available digital records and linkage of each jurisdiction to the WIPO Global Brand Database.

Further, prior to initiating trademark searches across multiple jurisdictions, it is essential to identify the key jurisdictions critical to the business model and create a road map by liaising internally with the marketing and sales team.
Translation And Transliteration Of The Trademark In APAC Countries

It is vital to understand the translation and transliteration of the trademark (word mark or composite label marks) in each country as per its colloquial language, to ensure that the word aspect of the proposed trademark does not have a scandalous or derogatory meaning. In a majority of jurisdictions, a word with scandalous or derogatory meaning in the local language is prohibited from registration.

As a corollary, in India, the Trade Marks Act 1999[2] puts an embargo under absolute grounds for refusal of registration if a trademark “comprises or contains scandalous or obscene matter”.

Instances of some of the trademarks that had to be amended in some countries are as follows.

In view of the foregoing, it is imperative to understand whether a trademark is derogatory, scandalous or has any negative connotation in a particular jurisdiction prior to globalising the trademark. This strategy will by and large prevent formal objections on this ground and circumvent delays in the global launch of products and services.

Trademark Search Reports And Opinion

Based on the aforesaid parameters, it is advisable to conduct detailed trademark searches in various databases and seek opinions on the test of distinctiveness, descriptiveness and negative connotations (if any) attributable to the trademark. This activity should be comprehensively undertaken prior to adoption and use of the trademark in each jurisdiction.

This rationale for detailed trademark search reports and opinions is to help businesses make informed decisions and ensure smooth prosecution of their trademarks across jurisdictions, allowing them to embark upon globalising their brands.

NATIONAL PHASE APPLICATIONS VERSUS FILING THROUGH MADRID PROTOCOL

In all APAC countries, trademark protection can be obtained through registration, by filing an application for registration with the national or regional trademark office and paying the required fees.

The Madrid System has several apparent advantages, namely, facilitating filing a single application in one language to protect the mark in multiple countries, payment of single set of fees and enabling efficient management of the trademark portfolio through a centralised system. However, the Madrid System is not recommended in countries with a unique system of sub-classification. For example, in China, South Korea and Japan, each class of goods and services is further divided into subclasses, with a list of standard items of goods and services and separate group codes. Provisional refusals are issued based on examination of similar group codes; therefore, proprietors of trademarks should refer to the group code system in these jurisdictions[6] and opt for national filing to protect the trademark.

Of all the APAC countries, Taiwan, Myanmar and the Pacific Island nations (Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu) are not signatories to the Madrid Protocol. Samoa[7] is the only Pacific Island nation that is signatory to the Madrid Protocol.

Hence, the decision to apply for a trademark registration through a national application or through the Madrid System will depend on the jurisdictions involved. It is advisable to do
preliminary research before filing a blanket international registration application for all APAC countries.

**TRADEMARK REGISTRATION PROCEDURE IN APAC COUNTRIES**

Trademarks can be registered in approximately 18–24 months in northern Asian countries, such as China, Japan, South Korea and Taiwan, and in Association of Southeast Asian Nations countries, including Singapore, Malaysia, Thailand, the Philippines, Vietnam, Indonesia, Cambodia, Laos, Brunei and Myanmar, as well as in India and Sri Lanka. However, it takes longer to obtain registration in, for example, Afghanistan, Bangladesh, Bhutan, Kiribati, Nepal, Solomon Islands, Timor-Leste, Tuvalu and Yemen. This is mainly due to the lack of digitisation in the administrative mechanism in the respective trademark offices.

The filing requirements and procedures vary in several jurisdictions, and for a better understanding we list the procedural differences between Indonesia, Myanmar, Nepal, the Philippines and Vietnam below.

<table>
<thead>
<tr>
<th>Country</th>
<th>Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>Under the new trademark law in Indonesia, enacted in 2016, after the filing stage, all trademark applications are first published. Once the application is published, within a period of three months, any third party may oppose the trademark application. At the end of three months, the application enters the substantive examination stage. Thereafter, it may proceed to be registered.</td>
</tr>
<tr>
<td>Myanmar</td>
<td>Myanmar did not have any trademark statute or procedure for registration until 2019. Prior to 2019, all trademarks were registered without going through the process of examination, publication and opposition. The Trade Mark Law (2019) came into force on 1 April 2023. The Ministry of Commerce had announced a “soft opening period” for the partial implementation of the new law starting from 1 October 2020. During this period, the Ministry has been accepting applications for re-registration of trademarks that had been previously registered via declarations of ownership filed with the Office of Registration of Deeds, and assigned the application numbers for each re-registration application. In the grand opening, the applications filed to date</td>
</tr>
<tr>
<td>Nepal</td>
<td>The applicant is required to submit an application for trademark registration. Thereafter, the application is examined. After examination, if it is found registrable, the Department of Industries (the Department) shall register the trademark in the name of applicant and issue a certificate. The department then publishes the registered trademark. A statement with respect to the renewal or cancellation of registration is also published for the benefit of the general public. Any person may oppose a trademark against the statement published by the department within 35 days of such publication. To register trademarks owned by foreign entities, it is mandatory for the applicant to provide a certified or notarised copy of a valid trademark registration certificate from its home country or some other jurisdiction. This certificate from a foreign jurisdiction should be for the same mark, in the same class, and it should be in the name of the same applicant.</td>
</tr>
<tr>
<td>Philippines</td>
<td>Once a trademark is registered in Philippines, proof of use should be submitted within three years of the filing date of application. Proof of use need not be filed before the registration. The registration will be cancelled if proof of use is not filed within the stipulated time. A registrant is required to prove continuous use of the mark by filing cogent evidence between the fifth and sixth year anniversary of the registration date.</td>
</tr>
<tr>
<td>Vietnam</td>
<td>In Vietnam, trademark registrations are subject to the first-to-file principle. Therefore, trademarks can only be protected exclusively through registration, except for well-known trademarks.</td>
</tr>
</tbody>
</table>
From the date on which the trademark application is received by the National Office of Intellectual Property of Vietnam (IPVN), the same shall be examined in the following order:

- a trademark registration application shall have its formality examination done within one month of the filing date; and
- a trademark application shall be published within two months of it passing the formality check. The application is open for opposition and comment from third parties.

Trademark applications in Vietnam undergo a subsequent examination to determine their eligibility for registration on substantive grounds. The outcome of this examination is typically available within nine to 12 months of the date of the decision to accept the trademark application. To explain further, once the substantive examination is completed, if a trademark application satisfies the necessary criteria, the IPVN will issue a decision expressing the intention to grant a certificate of trademark registration. At this point, the applicant will be required to pay the fees for the granting and publication of the registration.

If the application has been opposed, the substantive examination report is issued at the same time irrespective of a pending opposition. A substantive examination is carried out by examiners of the IPVN within six months of the date of publication. Therefore, there may be a situation where the applicant is required to contest the opposition and also respond to the substantive examination report, simultaneously.

Previously, Vientam’s trademark law stated that a mark that had been expired for less than five years could still be cited as a citation to refuse protection for a similar or
identical trademark with a later filing date. However, a recent amendment stated that expired marks cannot be the reason for refusing present trademark registrations.\

While the procedure or steps for registration remain more or less the same in most countries, the broad steps are mentioned below.

**Filing And Formality Check**

A trademark application is first evaluated on a preliminary level, wherein the examiner checks for compliance with the basic formality requirements, such as payment of the applicable fee, submission of documents in the prescribed format, adequate stamping requirements wherever applicable, proper classification of the goods and services under the applicable trademark classes and appropriate goods or service description, etc.

**Examination Of Application**

The mark is then evaluated on merit on two grounds, broadly classified as the absolute and relative grounds of refusal. If an objection is raised, the applicant will be given a certain period of time to respond with an argument or alternative proposal. The statutory time to respond to the refusal letter varies from one country to another – usually 30 to 90 days’ time is given for responding, and extensions may be available.

**Absolute Grounds Of Refusal**

Absolute grounds of refusal are often the first threshold that a mark passes through in its journey towards registration. These grounds test a mark on the fundamental requirements stipulated under the applicable laws. The absolute grounds of refusal are largely similar in most jurisdictions and cover the tests of whether the mark is:

- distinctive;
- descriptive of the goods and services for which it is applied;
- customary in the language or trade;
- likely to deceive the public or cause confusion;
- composed of scandalous or obscene matter or is it likely to hurt the religious sentiments of any class;
- composed of prohibited emblems or names, etc.

The absolute grounds of refusal are designed to maintain the sanctity of the trademark system by ensuring that marks adhere to the basic requirements stipulated under governing legislation.

**Distinctiveness And Non-descriptiveness Of A Mark**

As the trademark is a crucial instrument of connection between a business and its customers, the primary test of a strong mark is its ability to individualise the goods or services of the owner of the trademark from those of others. There is no exhaustive method to evaluate distinctiveness of a mark, and different categories of marks may attract different standards or levels of distinctiveness. For example, establishing the distinctiveness of a
composite mark comprising phonetic and figurative elements may be easier than that of a
colour mark or a two letter mark. Based on the distinctiveness level, trademarks are broadly
classified into the following categories, ranging from the strongest to weakest.

- Coined marks: these are the marks that were originally created or invented, do
  not have any dictionary meaning in the relevant language and were never used
  until the applicant coined it as its trademark. Although a coined mark may suffer
  initial setbacks (eg, additional investment towards its creation, higher marketing
  investment, a longer time in building market recognition, and confusion or uncertainty
  on the consumers’ part in pronunciation of a coined, unfamiliar term), adopting
  a coined mark paves the way in building a brand’s independent recognition and
  reputation, especially in the long term.

- Arbitrary marks: an arbitrary mark is one that consists of existing word(s) unrelated
  to the goods and services offered under the trademark. Arbitrary marks come with
  the advantage of easier recollection value.

- Suggestive marks: a suggestive mark is one that suggests the kind, quality, quantity,
  nature, purpose or other characteristic of the goods and service without bearing any
  direct or immediate reference to the goods and services in question.

- Descriptive marks: a descriptive mark is one that clearly describes the kind, quantity,
  quality, intended purpose or any other characteristic of the goods or service. Given
  the ability of descriptive marks to impart immediate information about the goods and
  services, it might be highly alluring to adopt these marks; however, these marks lack
  individuality and would not be able to function as source indicators.

- Generic marks: at the lowest rung of the distinctiveness spectrum are generic marks,
  which are commonly accepted terms or indications used in the particular trade to
  connote the goods and services in question. These marks are the weakest and are
  not granted registration.

Thus, adopting a coined or arbitrary mark is clearly advantageous from the perspective of
building a multi-jurisdictional brand portfolio, as the chances of such a mark facing objection
is much lower compared to the other categories of marks. The acceptance of a mark as
being distinctive and non-descriptive, in one or more jurisdictions, may have persuasive value
in other jurisdictions where the mark faces objections under similar grounds of refusal, and
the applicant may strategise the order of filing in different jurisdictions accordingly.

Relative Grounds Of Refusal

Relative grounds of refusal evaluate a mark with respect to the prior rights of other third-party
marks, to eliminate a likelihood of confusion among the public. Below are few effective
strategies and other relevant factors concerning the relative grounds of refusal.

- Analysis of various factors: an objection based on relative grounds can be overcome
  based on a comprehensive analysis of factors such as: the degree of identity or
  similarity between the marks; the nature of the goods or services; the extent to which
  the rival goods or services are similar or identical to one another; the commonality
  of trade channels, the end point of sales, target consumers, the mode of purchase
  and the price of goods or services; and the nature of consumers, their level of
  sophistication, the extent of their fastidiousness and the deliberation exerted behind
  a purchase.
• Rules of comparison of marks: in overcoming the objections based on relative grounds, the two most commonly invoked rules are the rule of anti-dissection of trademarks and the rule of identifying the dominant feature of marks. While the rule of anti-dissection of marks requires the marks to be compared in their entirety without being split into individual components, the second rule of determining the dominant feature allows the rival marks to be broken down into parts to identify the dominant element based on which a consumer recalls these marks. Both the rules are based on the reasoning that an average, reasonably prudent buyer is not expected to remember every detail in a mark, but rather the mental impression that a mark creates in its totality.

• Consistency in legal positions: while building a multi-jurisdictional brand portfolio, it is essential to maintain consistency in the legal grounds and submissions relied upon across jurisdictions. In today’s highly competitive environment businesses are keen on expanding their brand’s footprint across multiple jurisdictions, and it is not uncommon for a mark to face a conflict or challenge from a common entity’s prior registered or pending application in more than one jurisdiction. In these situations, it is important that the applicant focuses on building their strategies of attack and defence from a holistic perspective, taking into account the multiple jurisdictions of interest, rather than focusing on the hurdles faced in each jurisdiction from an isolated standpoint. Lack of foresightedness and understanding has often caused applicants to unwittingly take contradictory legal positions in different proceedings or countries that later may prove fatal to the applications in the long run. In addition to defending the trademark, an applicant can also explore the possibilities of peaceful worldwide coexistence with conflicting trademarks.

• Goods and service description (differences in): another aspect that proves to be crucial in overcoming hurdles based on relative grounds is clarity in the specification of goods and services. Often, the conflicting marks cited by the examiner may relate to entirely different categories of goods and services despite falling under the same trademark class. It is well accepted that the trademark classification is merely a tool for administrative convenience and cannot be solely relied on to determine substantive issues in the registration process. Conflicting goods cannot be held similar merely for the reason that they fall under the same class. For example, Class 03 of the NICE system of classification covers cosmetic preparations as well as substances for laundry use. The proprietor of a trademark cannot enjoy monopoly over the mark for the entire class of goods, when the mark is used only for some goods falling under the class.

Publication And Oppositions
A third party wishing to oppose the registration of a trademark should file their grounds of opposition within the opposition period. The opposition period in APAC countries usually ranges from one month to four months from the date of publication. For example, it is 30 days in the Philippines, two months in Singapore and Malaysia, three months in Brunei and four months in India.

Opposition Procedure
If the mark is opposed by a third party, a separate opposition procedure is often followed, which varies in every jurisdiction. Evidence is placed on record and hearings are held to
determine the fate of registration of the mark. The time required to obtain an outcome of the opposition proceeding differs from one country to another and depends on various factors, such as agency backlog, the level of digitisation and the functioning of the judiciary in the concerned jurisdiction.

Registration Of The Trademark

Once the trademark is published, and no opposition is filed, it proceeds to registration. A trademark registration usually lasts for 10 years and is renewable for successive 10-year periods.

COST OF FILING TRADEMARK APPLICATION

The cost of registering trademarks varies from country to country. For example, in Thailand, the designated fees for filing an application are based on the number of goods or services. They allow only five goods or services in a class. If the designated goods or services in any class are more than five, the official fees are payable at flat rates instead of per item basis.

In Singapore, there is a cost difference of approximately US$100–150 based on whether the applicant chooses to file the trademark application manually or online. Further, the cost of filing is lower if the applicant chooses the goods or service description from the pre-approved database of the Intellectual Property Office of Singapore; if the description of the goods or service is not from the pre-approved list, additional charges are payable.

In Indonesia, the fees for applying for a trademark are dependent upon the category of the applicant; if the applicant is a micro or small business, then the charges per class for registering a trademark are lower than the charges applicable to a public limited company.

In countries such as Pakistan and Afghanistan, there is one-time fee chargeable at the time of filing the application, until the application faces opposition. In these countries, the applicant does not have the option to file multi-class applications.\[12\]

In some jurisdictions such as China, owing to the further subdivision of NICE classification, the number of classes in which a trademark is to be protected increases, which increases the overall cost. There are more than 700 classifications of goods and services that have been approved by the Chinese government. This classification system has been the result of years of feedback from trademark owners and industry experts. The system is designed to help trademark applicants select a classification for their application as well as to provide a basis for the examiner’s search for prior applications.\[13\]

PERIODIC AUDITS OF TRADEMARK PORTFOLIO

A robust trademark portfolio requires that the trademark applications, both pending and registered, in multiple jurisdictions be kept updated at all times from a factual and legal standpoint. Periodic audits, at least on an annual basis, bring to the fore any gaps or lacunae in the brand protection that may otherwise go unnoticed. A comprehensive audit not only covers the aspects relating to maintaining the applications but also the actual use of the mark in commerce. Further, a brand audit ensures that any change (eg, recording an ownership change, a new licensing or changes to the specification of goods and services) pertaining to a trademark is recorded in all the jurisdictions where the trademark application is pending registration or has been registered. These audits also provide the applicant the opportunity to review their IP policies, apprise themselves of any relevant changes or
procedural requirements in the legal system and keep up with the changes in view of the emerging situations or market trends of each jurisdiction.

**TRADEMARK WATCH**

An effective trademark strategy would be incomplete without a trademark watch service, wherein the applicant engages the services of professional IP practitioners in the jurisdictions of business interest to periodically assess the latest trademarks published. These watch services help to identify any potentially conflicting third-party mark. As time is of the essence in all intellectual property matters, timely identification and curbing of third-party conflicting marks lays the foundation of a strong trademark portfolio.

**PROTECTION IN THE METAVERSE**

Businesses today are increasingly keen on securing and protecting their trademarks in the metaverse. As the APAC region covers some of the most populous nations and considering the increasing growth rate of the millennial population in this region, it is expected that the IP landscape in the APAC region will be greatly influenced by the metaverse in the coming years. Business owners should secure their trademarks not just in the real world, but also in the metaverse to prevent misuse of their rights from pre-emptive or mala fide filings.

**CONCLUSION**

In putting together an effective multi-jurisdictional brand portfolio, the IP owner needs to factor in multiple important aspects such as: overall and stage-wise budgets, key jurisdictions of interest, timelines for launch of the mark, filing of trademark applications, market investments and future business developments.

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Endnotes
Specialist Chapter: Letters of Consent in Chinese Prosecution Procedures

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Summary

IN SUMMARY
DISCUSSION POINTS
REFERENCED IN THIS ARTICLE
BASIC INFORMATION ON TRADEMARK COEXISTENCE AND TRADEMARK COEXISTENCE AGREEMENTS
DEVELOPMENT OF LETTERS OF CONSENT IN CHINA
REVIEW CASES INVOLVING LETTERS OF CONSENT
CONCLUSION AND FUTURE FEASIBLE STRATEGIES
ENDNOTES
IN SUMMARY

Letters of consent submitted in prosecution procedures are not only a legal issue, but also concern the consumer protection and the economic interests of the related entities. Owing to China’s change of business mode from high-speed growth to high-quality development, the China National Intellectual Property Administration (CNIPA) is now changing its attitude to letters of consent in prosecution procedures. Since October 2021, the CNIPA has gradually tightened its acceptance of letters of consent in trademark refusal review cases. The examiners of the CNIPA confirmed this change during the on-site Q&A session at the Dongguan Trademark Festival in June 2023. Trademark applicants need to pay attention to this change and find feasible solutions when a refusal notification is issued.

DISCUSSION POINTS

• Basic information on trademark coexistence and trademark coexistence agreements
• The development of letters of consent in prosecution procedures in China
• Review cases involving letters of consent
• Conclusion and future feasible strategies

REFERENCED IN THIS ARTICLE

• Guidelines for the Administrative Trial of Trademark Granting and Verification Cases
• CNIPA’s Annual Report 2022

Whether letters of consent or trademark coexistence agreements are accepted and recognised in trademark refusal review cases has been a hot topic of discussion in China. China adopts the first-to-file principle and conducts relative ground examination. Owing to the surge in trademark applications in recent years, the total number of valid trademarks in stock has reached more than 40 million; such a large number of valid registrations makes it difficult to smoothly register a new trademark. According to CNIPA’s Annual Report 2022, among all the trademark applications filed in 2022, only 52% of the trademark applications passed preliminary examination, whereas 14.4% were partially rejected and 33.6% were totally refused. In the overall 48% rejection, a large portion was rejected owing to other parties’ prior identical or similar marks. If a trademark is rejected because of a prior identical or similar trademark, is it still possible to consider the approach of obtaining a letter of consent from the prior right holder to support the review arguments that the trademarks will not cause confusion in the public, in order to obtain registration in the refusal review procedure?

As far as past practice is concerned, letters of consent have been accepted in quite a large number of the refusal review cases and successfully helped many applicants register trademarks. However, since October 2021, the CNIPA has gradually accepted fewer letters of consent (or coexistence agreements) in trademark refusal review cases. At the Dongguan Trademark Festival in June 2023, the examiners of the CNIPA held an on-site Q&A session, during which the examiners confirmed that this is the case. It is foreseeable that in future
prosecution cases, the examination of consent letters will be more stringent and the letters will be less likely to be accepted.

In this article, the author predicts the development of the trend of letters of consent in China by analysing the basic information and development history of letters of consent in China, as well as giving examples of the contrary adoption of letters of consent in some review cases, to help trademark applicants better plan their trademark strategies in China in the future.

**BASIC INFORMATION ON TRADEMARK COEXISTENCE AND TRADEMARK COEXISTENCE AGREEMENTS**

With regard to trademark coexistence, the World Intellectual Property Organization (WIPO) defines that "Trademark coexistence describes a situation in which two different enterprises use a similar or identical trademark to market a product or service without necessarily interfering with each other’s businesses."[2] In the case of coexistence of trademarks, trademarks belong to different entities, rather than being jointly owned by two entities.

The coexistence of trademarks is due to the fact that trademarks, as a kind of identification symbol, have relatively certain and limited numbers. Through the arrangement and combination of different elements, the same and similar trademark symbols will inevitably appear. The trademark right itself is a kind of exclusive right. To avoid the loss caused by the similarity of trademarks, the right owners often have to sign a trademark coexistence agreement between two or more parties within the scope that they think will not cause confusion.

Regarding trademark coexistence agreements, the International Trademark Association (INTA) defines that:

> A coexistence agreement is an agreement by two or more persons that similar marks can coexist without any likelihood of confusion; it allows the parties to set rules by which the marks can peacefully coexist. Both parties are permitted to use the same mark in connection with the same or similar goods or services. Usually the agreement is limited by geographic boundaries.[3]

A trademark coexistence agreement is a declaration document issued by the right holder of a prior registered trademark for another entity, agreeing to the coexistence of the two parties’ marks. In practice, a trademark coexistence agreement is used as important evidence in refusal review cases where the applicant submits to the examiners and judges to overcome the obstacle of prior trademark rights.

After the cited trademark right holder issues the coexistence agreement, it is deemed as a certain concession of the protection scope of its own trademark right. According to Article 15.12 of the Guidelines for the Administrative Trial of Trademark Granting and Verification Cases issued by the Beijing High People's Court (2019), if the cited trademark right holder files an opposition or invalidation against a trademark on the ground that the disputed trademark and the cited trademark constitute similar trademarks after the cited trademark holder has issued a coexistence agreement, this claim shall not be supported, unless the agreement is invalidated or revoked according to the law.

**DEVELOPMENT OF LETTERS OF CONSENT IN CHINA**
Letters of consent in prosecution procedures in China have gone through a dynamic development process, including non-recognition, conditional recognition and prudent recognition, which reflects the general trend of China’s economic development in past years.

In the beginning, China’s market economy was developing relatively slowly, and enterprises had not attached enough importance to trademarks, the number of trademark applications was small and the chance of encountering prior identical or similar trademarks during the substantive examination procedure was relatively low. Under these circumstances, the Trademark Office strongly protected the first-filing and originality of trademarks, and thus firmly opposed trademark coexistence agreements. By doing this, market entities could see the economic value brought by their trademarks, which effectively enhanced people’s awareness of trademarks and attached importance to them, promoting the development of intellectual property rights in China.

With the development of China’s market economy and the internationalisation of intellectual property rights, the attitude of resolute disapproval of letters of consent no longer met the market’s needs. The high-speed, stable and diversified development of the market economy led to an unprecedented increase in the registration and use of trademarks, and the limited nature of trademark resources was highlighted. To adapt to the development of the market, the attitude towards trademark coexistence agreements in the trademark prosecution cases also changed from the earlier disapproval to conditional approval. Examiners and judges comprehensively considered elements, such as the goods and services designated by the trademarks, the geographical area of use, the originality and popularity of the trademark, and recognising a bona fide coexistence agreement that the two parties signed on the basis of honesty and good faith, to achieve efficiency and fairness in review examination and trial procedures. However, for some special industries, such as those related to public health, trademark coexistence agreements were relatively less recognised and even opposed by trademark offices or courts. This is a kind of administrative method to safeguard the basic interests of the general public and develop the market in an orderly way. During this period, the Beijing High People’s Court issued several regulations regarding coexistence agreements, including ‘Several Legal Issues Needing Attention in the Current Intellectual Property Trials’ (2018) and ‘Guidelines for the Administrative Trial of Trademark Granting and Verification Cases’ (2019), in which the Beijing High Court held that:

- to determine whether the trademark at issue and the cited trademark constitute similar trademarks, the coexistence agreement can be used as prima facie evidence to exclude confusion.

... If the disputed trademark and the cited trademark are similar in composition and are used on the same or similar goods, and the owner of the cited trademark has issued a coexistence agreement, in the absence of other evidence proving that the coexistence of the two parties’ trademarks is very likely to lead to confusion among the relevant public, it can be determined that the disputed trademark and the cited trademark do not constitute similar trademarks.
According to cursory statistics, the total number of cases involving coexistence agreements that were fully or partially upheld by the CNIPA from 2018 to the end of 2021 was more than 50% in all the review cases filed.

With the improvement of China's business environment, China's business mode is upgrading from high-speed growth to high-quality development, in which trademark protection and brand building plays a great role. Protecting the interests of consumers, producers and operators has always been one of the legislative purposes of the Trademark Law. However, with the increase in the number of cases involving trademark coexistence agreements and subjectivity in determining the likelihood of confusion, there is a tendency for examiners to simplify and expand the acceptance of trademark coexistence agreements in their examination (according to the CNIPA's examiners). The CNIPA has also noted that whether to accept a coexistence agreement and the degree of acceptance of a coexistence agreement are not only legal issues, but are also economic issues. In real economic activities, consumers are usually unaware of signing a coexistence agreement and have no way of knowing the content of the agreement. Allowing the coexistence of similar trademarks under different entities increases the cost of consumer identification, and even leads to damage to the interests of consumers. In addition, some registrants of prior trademarks, after issuing the coexistence agreement due to the consideration of private interests, called it off later because of the changes to market conditions and business situations, and lodged lawsuits for trademark disputes, contract disputes or even administrative disputes. This also results in a waste of administrative and judicial resources. Under these circumstances, to balance private rights and public interests, the CNIPA has again adjusted and limited the acceptance of trademark coexistence agreements. During the on-site Q&A session at the Dongguan Trademark Festival in June 2023, examiners of the CNIPA confirmed the change in their examination of letters of consent. They will examine the cases mainly based on whether the trademark itself will cause confusion and mislead in the public, and will only take the coexistence agreement as a preliminary consideration, not as an important consideration. This adjustment in examination practice has already led to a reduction in the acceptance rate of coexistence agreements by administrative and judicial authorities.

REVIEW CASES INVOLVING LETTERS OF CONSENT

Statistics And Analysis Of Cases Concluded By The Appeal Board Of CNIPA In Recent Years

According to cursory statistics through Mozhilun's online database, the number of refusal review cases involving letters of consent concluded by the Appeal Board of CNIPA in 2018–2023 is as follows.

<table>
<thead>
<tr>
<th>Year</th>
<th>Letter of Consent</th>
<th>Total</th>
<th>Recognition</th>
<th>Refusal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1,459</td>
<td>637</td>
<td>500</td>
<td>219</td>
</tr>
<tr>
<td>2019</td>
<td>2,050</td>
<td>969</td>
<td>580</td>
<td>366</td>
</tr>
<tr>
<td>2020</td>
<td>2,310</td>
<td>983</td>
<td>805</td>
<td>410</td>
</tr>
<tr>
<td>2021</td>
<td>2,850</td>
<td>1,842</td>
<td>502</td>
<td>438</td>
</tr>
<tr>
<td>2022</td>
<td>2,480</td>
<td>1,948</td>
<td>80</td>
<td>437</td>
</tr>
<tr>
<td>2023 (until 8 June 2023)</td>
<td>512</td>
<td>393</td>
<td>18</td>
<td>101</td>
</tr>
</tbody>
</table>
From the above chart, it is easy to see that from 2018 to 2020, the number of review cases in which letters of consent were recognised increased year by year, but from 2021 onwards, the number decreased year by year. After further examination of the 18 review cases in 2023 in which letters of consent were accepted by the CNIPA, most of them were re-adjudication cases as per courts’ rulings. Considering that the CNIPA and the courts have already deeply communicated and exchanged opinions on the issue of letters of consent, it is expected that the number of cases in which the letters of consent are accepted will decrease further in the future.

Comparison Of Similar Cases Involving Letters Of Consent

During the searches, the author also found some contrary review decisions. For some review cases before October 2021, letters of consent had been accepted and recognised by the CNIPA. However, in subsequent cases after October 2021 in which the applicants applied for the same or similar trademarks and encountered the same prior cited marks, even if the applicants submitted letters of consent, the CNIPA refused to accept them based on the latest practice.

The Pre-October 2021 Cases Are As Follows.

<table>
<thead>
<tr>
<th>Applied-for trademark</th>
<th>Prior trademark</th>
<th>Class</th>
<th>Result</th>
<th>Authority</th>
<th>Issuing time</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. 30848551</td>
<td>No. 9779591</td>
<td>36</td>
<td>Accepted</td>
<td>Appeal Board of CNIPA</td>
<td>2019</td>
</tr>
<tr>
<td>No. 44567857</td>
<td>No. 29526411</td>
<td>9</td>
<td>Accepted</td>
<td>Appeal Board of CNIPA</td>
<td>2021.9</td>
</tr>
<tr>
<td>No. 42572151</td>
<td>No. 21175663</td>
<td>21</td>
<td>Accepted</td>
<td>Appeal Board of CNIPA</td>
<td>2021.1</td>
</tr>
</tbody>
</table>

The Cases After October 2021 Are As Follows.

<table>
<thead>
<tr>
<th>Applied-for trademark</th>
<th>Prior trademark</th>
<th>Class</th>
<th>Result</th>
<th>Authority</th>
<th>Issuing time</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. 56909815</td>
<td>No. 9779591</td>
<td>36</td>
<td>Unaccepted</td>
<td>Appeal Board of CNIPA</td>
<td>2022</td>
</tr>
</tbody>
</table>
From the above examples, it can be concluded that the degree of acceptance of consent letters or coexistence agreements in the refusal review cases is getting tighter and tighter. Although the official authority previously accepted letters of consent in similar cases, they are now adopting a prudent attitude towards consent letters, and the submission of coexistence agreements or consent letters is no longer an effective strategy to overcome the refusal.

**CONCLUSION AND FUTURE FEASIBLE STRATEGIES**

With the country’s emphasis on IP rights and increasing public awareness of IP protection, the number of trademark applications in China is growing by leaps and bounds. By the end of 2022, the number of effective trademark registrations in China was 42.67 million. The increase in prior applications and registered trademarks means there is a high chances of refusal due to prior similar trademarks. In the past, trademark coexistence agreements were being widely used and chosen by trademark applicants as a time-consuming but feasible solution. However, with the country’s shift to a high-quality economic development mode and the protection of consumers’ and business entities’ interests, the CNIPA’s acceptance of letters of consent has reduced. In some cases, even is there is precedent (ie, prior identical trademarks have been approved for registration based on consent letters), examiners do not accept the consent letters in refusal review cases of later trademarks in the same situation. Applicants need to be aware of this change in practice and respond to it proactively.

While adjusting the degree of acceptance of letters of consent, the good news for applicants is that the CNIPA is now accepting suspension requests in some trademark review cases. There are seven circumstances where examination shall be compulsorily suspended, including if the status of the cited trademark must be based on the results of another case that is under trial by the people’s court or being handled by the administrative authorities, CNIPA should suspend the refusal review examination upon the applicant’s explicit request. Therefore, trademark applicants should pay attention to the recent change in trademark practice in China, or should consult with experienced trademark attorneys on specific issues to avoid wasting time and energy.

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**Endnotes**

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Specialist Chapter: Trademark Hijacking Across the Region and How to Overcome it

Yimeng Lu
Beijing Sanyou Intellectual Property Agency Ltd

Summary
IN SUMMARY

With the continuous strengthening of China’s national strength and the promotion of the Belt and Road Initiative, more and more Chinese brands have become known by overseas consumers. It is important to let Chinese companies know how to protect their own brands overseas – especially in the Asia-Pacific region.

DISCUSSION POINTS

- Ways on how to protect your trademark rights
- Case examples

REFERENCED IN THIS ARTICLE

- Belt and Road Initiative

When it comes to overseas trademark protection, it is natural to think of a huge and spectacular overseas trademark protection map of Chinese enterprises from all walks of life marching towards more than 200 countries and regions around the world. Indeed, all types of Chinese enterprise have potential demand for product export. The destination country of export may be any country or region in the world, depending on the enterprise.

In recent years, with China’s continuous strengthening and the promotion of the Belt and Road Initiative, more and more Chinese brands have become known by overseas consumers. Because of this, the Asia-Pacific region has become a high incidence area for trademark registration. For example, Longjing tea, Biluochun, Dahongpao, Xinyang Maojian and other tea brands are registered as trademarks by the same tea dealer in South Korea; Hongtashan, Ashima, Yunyan, Hongmei and other cigarette trademarks were registered by a Philippine businessman; and the trademark of white rabbit milk candy is not uncommon in Japan, the Philippines, Indonesia and being pre-empted.

HOW TO PROTECT AN APPLICANT’S OWN TRADEMARK RIGHTS

Most countries in the Asia-Pacific region have many similar legislative provisions to curb the act of trademark pre-emption. Enterprises can protect their rights in the following ways.

Submitting Public Opinions For The Marks Under Examination

Some countries and regions, such as Korea, can accept public opinions for the marks under examination, which is also known as third-party observation. At the stage of trademark examination by the Trademark Office, the trademark owner or interested party unilaterally submits a formal written letter stating the specific reasons for opposing the trademark registration (e.g., it is similar to a previous application or registered trademark; and agents and dealers, etc, maliciously rushed to register others’ previous well-known trademarks), and the trademark examiner judges whether to approve the reasons for the opposition according to their authority. Then they decide whether to reject the trademark registration application. Public opinions proceedings usually do not require the participation of trademark applicants. The public opinion procedure provides an opportunity for the person who pre-empted the trademark application to oppose the malicious pre-emption of others. There is no specific
deadline to file public opinions before the Trademark Office, and they can be filed during the trademark examination procedure. Compared with objection, cancellation and invalidity procedures, the administrative procedure is often flexible and more cost-effective.

**Opposition Procedure Against Marks Under Publication Period**

If a trademark is found to be pre-empted by others overseas, the applicant may file an opposition application during the publication period according to local regulations and request to stop the registration of the trademark. At present, most countries and regions have set up a publication period in the trademark registration process. Some countries and regions implement the publication procedure before substantive examination, which puts the opposition procedure before substantive examination, such as Macao and some South American countries. Others adopt the publication procedure after finishing substantive examination, such as Korea, Taiwan and China.

**Invalidation Application Against The Registered Trademark**

If the registration of the disputed trademark has been approved due to the expiration of the trademark opposition period or the failure of the opposition, the pre-empted registrant can also use the invalidation procedure to request that the corresponding competent department invalidate the registered trademark and continue to strive to protect its own rights and interests. For the request for invalidation, in some countries it needs to be filed with the trademark authority, and in some countries it needs to be filed with the court. Most national laws stipulate that the request for invalidation must be filed within five years of the date of registration of the disputed trademark.

**Revocation Or Cancellation Of The Registered Trademark**

For registered trademarks, most countries and regions have established a procedure for revoking trademarks that have not been used for some years without justifiable reasons, usually for three or five years. If an enterprise finds that another person has pre-empted the registration of a trademark in the process of an overseas trademark application or monitoring, it can use the cancellation procedure to apply for the cancellation of the registration of the trademark if it is judged that it is not actually used according to the situation of the registrant.

**Send A Warning Letter To The Pre-emptor Or Infringer**

Sending a warning letter to the pre-emptor or infringer can be a deterrent. In some cases, it can directly resolve the dispute, and in some cases, it can produce certain legal effects (eg, evidence of malicious infringement) that promote the settlement of disputes at a lower cost. Especially when trademark infringement occurs, enterprises can send warning letters to infringers based on the trademark rights they have obtained.

**Negotiation And Reconciliation**

Negotiation and reconciliation are also important ways to deal with overseas trademark disputes. If trademark rights and interest disputes can be resolved through negotiation and reconciliation, the cost is usually lower than going through the judicial process, the cycle is shorter and, in some cases, the commercial effect is better. Negotiation and reconciliation often need some legal procedures to encourage cooperation, such as pressuring the other party through prosecution.

**Mediation Or Arbitration**
After the trademark rights and interest dispute occurs, enterprises can choose mediation or arbitration to solve the dispute according to the agreement reached in advance or after the event. Mediation or arbitration is more party-oriented. Mediation agreements and arbitral awards are often legally enforceable, and their international enforcement is usually easier than the extraterritorial enforcement of court decisions. In addition to national mediation and arbitration institutions, the WIPO Arbitration and Mediation Center also provides specialised arbitration and mediation services for intellectual property disputes.

Litigation Procedure

Litigation is one of the most important ways to deal with disputes over overseas trademark rights and interests. Especially in countries and regions where the judicial system is relatively perfect, the right holder often seeks relief through litigation procedure. Chinese enterprises can choose to bring a lawsuit in court when their rights and interests are damaged due to rush registration and infringement of trademarks overseas. In the world, safeguarding rights through litigation is usually a long process and has a relatively high cost, but it is one of the best ways to strengthen protection.

Administrative Relief

Resolving disputes through administrative measures is also an important remedy for enterprises. Especially for countries or regions where the judicial system is not perfect, the choice of administrative relief is often more efficient and effective. In particular, the malicious pre-emptive registration of trademarks clearly violates the principle of good faith. Most countries and regions with trademark systems around the world have prescribed restrictive measures against this vicious act. Administrative measures usually include daily supervision and administrative law enforcement. The authorities implementing administrative measures vary between countries and regions, including customs, police (such as intellectual property police) and market anti-monopoly bureaus. Before taking advantage of administrative remedies, enterprises should fully understand the functions of relevant local administrative departments and applicable administrative procedures and practices, and seek administrative remedies in accordance with relevant procedures and regulations on the basis of evaluating the expected results.

CASE EXAMPLES

To help enterprises cope with trademark rush registration, the following are several cases of rights protection in different countries.

China: Opposition Against Trademark Application For In ‘SRAM’ Class 21

SRAM, founded in 1987, is one of the largest high-end bicycle parts brands in the world. Its components are mainly manufactured in its factories located in Portugal, Taiwan, mainland China and the United States, and distributed and sold as original equipment manufacturers equipment and aftermarket parts in the global high-end market. In recent years, the ‘SRAM’ trademark has been frequently registered maliciously in mainland China by other parties, but the determination of the applicant to maintain the brand has never wavered. Through targeted monitoring, the applicant has continuously cracked down on the maliciously registered trademark and achieved good results.

In this case, all trademarks under the name of the opposed party are the same or similar to well-known brands of others. The party maliciously attempts to plagiarise already famous
trademarks, demonstrating that they consistently plagiarise and imitate other parties’ trademarks, and try to attach importance to the popularity of other trademarks, causing confusion and misunderstanding among the relevant public. The acts of the opposed party are clearly in bad faith.

We also stated that before the application date of the opposed trademark on 27 September 2017, the opponent’s ‘SRAM’ trademark had established a certain influence in the relevant public areas in China through extensive use and publicity for sports water cups, bicycles, bicycle parts, bicycle equipment and other goods. The opposed trademark is identical to the opponent’s trademark ‘SRAM’. The goods designated by the opposed trademark are closely related to the goods designated by the opponent’s prior use of the trademark. The registration and use of the opposed trademark will inevitably lead to confusion among consumers, thus damaging the rights of the opponent and the interests of consumers. This is to try to prove that the opponent’s trademark indeed has actual use in China; hence, the holder of the opposed trademark clearly has knowledge of the opponent’s brand. Therefore, the application of the opposed mark should not be deemed as in good faith.

In the opposition decision, the CNIPA supported these arguments and decided to not register the subject hijacking trademark.

Indonesia: Opposition Against Trademark ‘’

The trademark ‘’ of Beijing Sankuai Technology Co, Ltd (Sankuai), was pre-empted by an individual named Yu Weng Kiang in Indonesia. Sankuai had registered the trademark and widely used it in China, but had not registered the ‘’ trademark in Class 12 in Indonesia.

To protect its legal right, Sankuai filed a trademark opposition application against this mark. Sankuai provided the registration certificate of the trademark ‘’ in China and many countries and regions around the world. The application date of these trademarks was earlier than the application date of the pre-emptive registrant in Indonesia. Further, there were hundreds of trademarks under the name of the pre-emptive registrar that they had no real intention to use, and the malicious nature was clear. Sankuai provided evidence of the use of the trademark ‘’ in Class 12 (bicycles) and other goods in mainland China (Meituan bike sharing), and also provided evidence of the use of the trademark in the catering industry in Indonesia (Meituan app). The date of use is earlier than the date of application of the pre-emptive registrant in Indonesia.

Finally, the Indonesian Trademark Office supported the opponent’s arguments, and decided to not register this trademark.

Philippines: Opposition Against Trademark ‘’

The trademark ‘’ of Beijing Sankuai Technology Co, Ltd (Sankuai), was pre-empted by an individual named Alex Shih in the Philippines. Sankuai had registered the trademark and widely used it in China, but had not registered the ‘’ trademark in Class 5 in the Philippines.

To protect its legal rights, Sankuai filed a trademark invalidation application against this mark. Sankuai provided the registration certificate of the trademark ‘’ in China and the evidence of its extensive use in China. The application date and use date of the trademark were earlier than the date of the application of the pre-emptive registrant in the Philippines. Further, there were 46 records of famous domestic brands under the name of the person who scrambled for the registration, and the malicious nature of the application is clear. The ‘’ under the name of Sankuai had been designed as highly significant, and the trademark
applied for by the registrant in the Philippines is consistent with it, which falls under malicious imitation of other well-known trademarks.

Finally, the Philippine Trademark Office supported the applicant's arguments and decided not to register this trademark.

Generally, I hope that through the introduction of this article, more and more Chinese enterprises will pay enough attention to the protection of their own brands. No matter which country in the Asia-Pacific region they are in, proactive rights protection can effectively help enterprises better carry out business activities in local markets.

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Australia: The Prosecution Landscape From Pendency to Use Requirements

Rebecca Jones, Sahil Verma and Graci Chen
LegalVision

Summary

IN SUMMARY
DISCUSSION POINTS
REFERENCED IN THIS ARTICLE
WHAT CAN I REGISTER?
WHAT CAN I NOT REGISTER?
HOW ARE UNREGISTERED RIGHTS PROTECTED?
HOW ARE NON-TRADITIONAL MARKS PROSECUTED?
HOW IS TRADE DRESS PROTECTED?
HOW ARE OPPOSITIONS HANDLED?
HOW ARE CANCELLATIONS HANDLED?
WHAT ARE PENDENCY LEVELS FOR THE LAST 12 MONTHS?
HOW TO TRANSFER OWNERSHIP OF TRADEMARK REGISTRATIONS
LICENSING AND ASSIGNMENT BEST PRACTICE
WHAT ARE THE FIVE KEY 'NEED TO KNOWS' FOR THE JURISDICTION?
ENDNOTES
IN SUMMARY

Australian law provides protection for a range of traditional and non-traditional trademarks. Both registered and unregistered trademarks are recognised and protected in Australia, either by way of formal registration under trademark legislation, or the protection afforded by the consumer law and the common law tort of passing off. Australia’s trademark legislation provides avenues for the opposition to registration of trademarks, as well as removal of trademarks from the register.

DISCUSSION POINTS

- What can and cannot be registered as a trademark
- How unregistered trademark rights are protected
- How non-traditional marks and trade dress are protected
- How trademark oppositions and cancellations are handled
- Trademark licensing and assignment best practice
- Key ‘need to knows’ for Australia

REFERENCED IN THIS ARTICLE

- Trade Marks Act 1995 (Cth)
- Competition and Consumer Act 2010 (Cth)
- Copyright Act 1968 (Cth)
- BP plc [2014]
- Kraft Foods Group Brands LLC v Bega Cheese Limited [2020]

WHAT CAN I REGISTER?

Australian trademark legislation (the Trade Marks Act 1995 (Cth)) provides for registration through the Australian trademarks office (IP Australia) of a sign used or intended to be used to distinguish a trader’s goods or services from those of others in the marketplace.

Registrable Signs

Signs that may be registered as a trademark in Australia include words, logos, phrases, letters, numerals, symbols, foreign characters, signatures, images, devices, colours, sounds, scents, shapes, movements, aspects of packaging or a combination of these. The most common types of trademarks registered in Australia are words and logos.

A single ‘series’ trademark registration may be granted for two or more trademarks that resemble each other in material particulars, and differ only regarding statements or representations as to the goods, services, number, price, quality, names of places or the colour of any part of the trademark.

Use Or Intention To Use
Trademark registrations are valid only in relation to the goods or services, or both, for which they are used or intended to be used. An exception to this are ‘defensive’ trademark registrations, which may allow extremely well-known trademarks to be registered regarding goods or services not provided by the applicant.

**Other Types Of Trademark Registrations**

IP Australia also provides for registration of:

- certification trademarks (including geographical indications), used to distinguish goods or services that meet a certain standard or characteristic from those that do not; and
- collective trademarks, used to distinguish goods or services provided by members of an association from those of non-members.

**WHAT CAN I NOT REGISTER?**

Trademark registrability is assessed on both inherent and relative grounds. The most common objections relate to inherent distinctiveness and similarity to existing trademarks.

**Descriptive Or Non-distinctive Trademarks**

A trademark cannot be registered if it lacks capacity to distinguish the applicant’s goods or services from those of other traders. A trademark generally cannot be common to the trade, descriptive of some aspect of the goods or services, or likely to be required to be used by another trader lacking improper motive. Depending on the severity of such an objection, an applicant may be able to overcome this by demonstrating evidence of use (or in some cases intended use) of the trademark.

**Identical Or Similar To Prior Trademarks**

A trademark cannot be registered if it is substantially identical, or deceptively similar, to an existing trademark application or registration with an earlier priority date, claiming the same or closely related goods or services. However, this type of objection may be overcome if the applicant can demonstrate prior use or honest concurrent use of their trademark.

**Other Grounds For Rejection**

A trademark application may also be rejected if the trademark:

- is scandalous or its use would be contrary to law;
- is likely to deceive or cause confusion;
- contains restricted financial terms such as ‘bank’ and ‘credit society’ in relation to Class 36 services, unless the applicant is appropriately authorised; or
- contains prohibited signs including flags, emblems or armorial bearings as prescribed by the Paris Convention for the Protection of Intellectual Property.

**HOW ARE UNREGISTERED RIGHTS PROTECTED?**

**Australian Consumer Law**

The Australian Consumer Law (being Schedule 2 to the Competition and Consumer Act 2010 (Cth)) contains provisions relating to misleading and deceptive conduct. These provisions
may be relied upon to protect rights in an unregistered trademark, if the defendant has used a confusingly similar trademark in a way that is misleading or deceptive, or likely to mislead or deceive. Available remedies include an injunction and compensatory damages.

**Passing Off**

Being a common law jurisdiction, unregistered trademarks can also be protected in Australia by the common law tort of passing off. Available remedies include an injunction, damages and exemplary damages. The plaintiff must establish that:

- there is goodwill or reputation in its branding, packaging, get-up, etc;
- the defendant has made a misrepresentation (either implied or express) that their goods or services are those of the plaintiff, or are in some way associated with or authorised by the plaintiff; and
- the plaintiff has suffered, or is likely to suffer, damage as a result of the misrepresentation.

**Best Practice**

Although the above actions provide a valuable safety net for protecting unregistered trademarks, there is a high evidentiary burden to be met to establish a claim of passing off or misleading and deceptive conduct. It is therefore strongly advised that trademarks should be registered to enable the owner to take action for trademark infringement under the Trade Marks Act 1995 (Cth). Available remedies include an injunction, and an account of profits or damages, as well as additional damages for flagrant infringement.

**HOW ARE NON-TRADITIONAL MARKS PROSECUTED?**

**Registered Non-traditional Trademarks**

Non-traditional trademarks, such as shapes, sounds, scents and aspects of packaging, can be registered in Australia. Once registered, they can be enforced by way of trademark infringement proceedings under the Trade Marks Act 1995 (Cth). The examination procedure and requirements for non-traditional trademark applications are essentially the same as for traditional trademarks.

However, it may be more difficult to satisfy the distinctiveness requirements for a non-traditional trademark, for example proving that a particular colour alone is in fact capable of acting as a badge of origin for one trader’s goods or services. As an example, in the BP case, the applicant (otherwise known as British Petroleum) attempted for over a decade to register the colour green as a trademark in Australia in respect of fuels and service stations, and despite its extensive use was ultimately unsuccessful.

**Unregistered Non-traditional Trademarks**

Non-traditional trademarks may also be enforced under the misleading and deceptive conduct provisions of the Australian Consumer Law, and under the common law tort of passing off. For each of these actions, the plaintiff would need to establish the required reputation in the particular aspect of their branding that forms the non-traditional trademark. Protection by way of trademark registration would, therefore, be beneficial, as a trademark infringement action under the Trade Marks Act 1995 (Cth) does not require evidence of reputation.
HOW IS TRADE DRESS PROTECTED?

Trade dress is a broad term that loosely refers to the overall image or appearance of a good or service. For example, trade dress can incorporate the distinctive colours, shapes, logos, signage, word marks or patterns that form part of the packaging of certain products.

If the trade dress of a particular product or service is capable of distinguishing the source of the product or service from those of other traders, then the trade dress may satisfy the requirements for trademark registration in Australia.

Distinctive shape trademarks, for example, are routinely filed in Australia to protect the trade dress of a particular product. Popular registered shape trademarks in Australia include the shape of the Crocs shoe (Australian trademark No. 1823669) and the distinct packaging of the Vegemite jar (Australian trademark No. 1842067). Filing an application for a shape trademark registration may be more attractive than filing for design registration, given the less onerous requirements surrounding use before filing.

However, rights can still be accrued within trade dress that is otherwise unregistrable as a trademark or design. The Australian Consumer Law and the tort of passing off can both protect owners of unregistered trade dress when their trade dress is copied by imitators, if this imitation is either likely to mislead or deceive or misrepresent the source of the particular goods or services in question. Any goodwill or reputation established within the trade dress through its unregistered use can be relied upon within either of these two claims.

If particular aspects of the relevant trade dress satisfy the requirements of a ‘work’ within which copyright subsists, it may also be protected by Australia’s copyright legislation (the Copyright Act 1968 (Cth)).

HOW ARE OPPOSITIONS HANDLED?

Trademark oppositions are handled before IP Australia and can involve oppositions to:

- the registration of a particular trademark;
- the removal of a trademark registration on the basis of non-use;
- an extension of time of more than three months; or
- an amendment to a trademark application.

The first two oppositions above are generally the most common type of proceedings.

Once a trademark application has been accepted for registration, or a removal application has been filed, the registration or the removal action may be opposed by a third party. The opposition proceeding stages are:

1. the opponent (in a non-use application, this is usually the registered owner) files a notice of intention to oppose followed by a statement of grounds and particulars to specify its basis of opposition;
2. the applicant (in a non-use application, this is the party that filed the non-use action) files a notice of intention to defend, failing which the trademark application or non-use application will lapse;
3. parties are then given the opportunity to file evidence if they wish to do so, namely evidence in:
• support of the opposition filed by the opponent;
• answer filed by the applicant; and
• reply filed by the opponent, which is limited to addressing material raised in the evidence in answer (if filed);

4. either party may then request a hearing in the matter, which can be oral or by way of written submissions, or both, or alternatively a request can be made for a decision on materials filed (without a hearing or submissions); and

5. IP Australia issues a decision within three to four months of the hearing date.

Costs may be awarded to the successful party in any type of opposition proceedings.

HOW ARE CANCELLATIONS HANDLED?

In Australia, a trademark may be removed or cancelled by a third party for non-use based on two grounds, namely:

1. as at the filing date, the owner had no intention in good faith to use the trademark, and has not used the trademark in relation to the claimed goods or services, or both in Australia; and

2. the owner has not used the trademark in relation to the claimed goods or services, or both, in Australia for a continuous period of three years.

A non-use application on the second ground is only available where, if the application was filed:

• before 24 February 2019, five years have passed since the filing date of the application; or
• on or after 24 February 2019, three years have passed since the trademark particulars were entered in the Register.

The onus is on the person who would like to preserve the registration to oppose the non-use application and demonstrate use of the trademark in the relevant period (or acceptable reasons for non-use).

The relevant non-use period ends one month before the non-use application is filed. This is to allow an interested party to contact the owner to attempt to resolve the matter amicably, without the risk that the owner may be prompted to commence use to defeat a potential non-use action.

WHAT ARE PENDENCY LEVELS FOR THE LAST 12 MONTHS?

In a straightforward case, registering a trademark in Australia takes a minimum of seven months. When filing a trademark application through IP Australia’s standard process, the usual time frame for an application to be examined is three to four months (though this can be expedited with adequate reasons). There is also an option to request a preliminary Headstart assessment before filing a formal application, which provides an indication within five business days as to whether the trademark application is likely to encounter
any examination issues. For issues or objections raised during the examination stage, IP Australia aims to review any responses and respond to the same within a month.

In relation to processing times for oppositions, a decision in relation to an opposition proceeding will usually be issued within three to four months of the scheduled hearing date. However, the wait times for a hearing date to be set will vary depending on the type of decision requested. Notably, the current wait time for an oral hearing date to be scheduled is approximately 12 months from when it is requested. For an opposition that will be determined by way of written submissions only, the current wait time for the relevant date to be set is seven months from when it is requested.

**HOW TO TRANSFER OWNERSHIP OF TRADEMARK REGISTRATIONS**

To transfer or assign ownership of a standard trademark application or registration, the assignor or the assignee must notify IP Australia of the change in ownership as soon as it occurs.

Importantly, IP Australia requires documentary evidence to support a request for assignment of a trademark. Common forms of evidence include providing a deed of assignment or sales agreement, which must include details of the assignor and assignee and the official number of the trademark in question (among other details) to ensure the assignment is valid. Both parties must sign the agreement, and notarisation or legalisation are not required.

It is also possible for an assignment to transfer the ownership of the trademark in whole or in part. In practice, this can mean that an assignee will acquire ownership of the trademark for some of the goods and services, and the assignor will continue to own the trademark for the remaining goods and services it is registered for.

Once IP Australia reviews and approves an application to record an assignment (together with the relevant evidence), the owner of the trademark will be updated on IP Australia's database, and the assignee will be considered the registered trademark owner.

If an assignor intends to assign trademark rights that have not been applied for or registered with IP Australia, the Kraft v Bega case[^2] established that the underlying goodwill in the business must also be assigned to ensure the assignment is valid.

**LICENSING AND ASSIGNMENT BEST PRACTICE**

**Licensing**

Under Australian law, registered trademark owners are granted the exclusive right to use, or authorise the use of, their registered trademark. For use by a licensee to be considered use authorised by the trademark owner, the owner must exercise some element of control over the licensee or their use. Otherwise, use by the licensee may not be considered attributable to the owner of the trademark. This may result in the owner being unable to rely on such use to defend their rights, for example to defeat a non-use attack on the registered trademark.

While it is best practice to ensure that a formal written agreement is in place between the registered owner and the licensee that specifies the scope of the licence and any other essential terms, this agreement alone will not constitute ‘control’ for the purposes of establishing use in non-use proceedings. The registered owner should also ensure that it regularly exercises either quality control over the goods or services or financial control over the licensee's trading activities, or both (e.g., where the licensee is a subsidiary or associated entity).
Assignment

With respect to the assignment of rights in a trademark, this is also allowable under Australian law. It is generally best practice to ensure that written agreements (such as sale of business agreements or assignment deeds) are in place to record the assignment of both registered and unregistered rights within the trademark, if applicable. To ensure unregistered rights are adequately captured by the agreement, the document should explicitly refer to the goodwill accrued within the trademark throughout its period of use. Failure to include reference to these unregistered rights may impact the assignee's future rights.

Written agreements should then be provided to IP Australia to record the transfer of ownership of the trademark on the trademark register.

WHAT ARE THE FIVE KEY ‘NEED TO KNOWS’ FOR THE JURISDICTION?

Common Law And Unregistered Rights

Australia is a common law country, which recognises both unregistered as well as registered trademark rights.

Acceptance Deadline Is Not A Response Deadline

If an adverse report is issued by IP Australia during examination of a trademark application, the applicant will be given a 15-month deadline from the date of the adverse report. This is an acceptance deadline rather than a response deadline, so any responses should be filed well ahead of the deadline to ensure that the application is placed in order for acceptance before the deadline expires.

Cancellation Of A Trademark Registration

Trademark registrations can only be cancelled or removed before IP Australia if:

- IP Australia revokes registration on the basis that the mark should not have been registered;
- the owner surrenders its registration voluntarily;
- the registration is not renewed in time; or
- the registration is successfully removed following a non-use application.

If a third party wishes to have a registration cancelled on any other basis (such as on grounds of prior use), then it would need to commence proceedings before a prescribed court.

Deferment Of Acceptance

Trademark applicants can seek to defer their application acceptance deadlines (instead of relying on extensions of time) in certain situations. For example, if a cited trademark is yet to achieve registration, an applicant can defer its acceptance deadline to await the outcome of the cited mark. Other grounds for deferral include:

- waiting to determine whether a cited registered trademark is renewed during the renewal grace period;
- relevant court action is pending;
- awaiting the outcome of a non-use proceeding filed against the cited mark; and
• if the applicant requires more time to compile evidence of use or negotiate consent from the owner of a cited mark.

Trademark Use Requirements

Trademark registrations in Australia are subject to an intention to use requirement at the time of filing, and an ongoing use requirement once the trademark has been on the register for three or five years, depending on when the mark was first applied for. However, unlike some other countries (such as the United States), there is no initial requirement to provide evidence of use to obtain or maintain a trademark registration. Evidence of use or an intention to use generally only needs to be produced if subject to challenge by a third party by way of opposition or non-use removal, or if such evidence of use is relied upon to overcome a third-party mark cited during examination of the application.

Endnotes

China: What Rights Holders Need to Know About Trademark Prosecution

Zhang Xu and Lin Shirley
HongFangLaw IP Consulting Firm

Summary
IN SUMMARY

As a fast-growing jurisdiction with dynamic IP legislation updates and robust trademark filing activities in recent years, China has attracted the attention and interest of legal practitioners and brand owners. That the number of trademark applications and registrations in China is more than tenfold larger than in any other major jurisdiction may imply opportunities and may amplify troubling issues in trademark prosecution. It is important to understand what makes trademark prosecution in China special and what can be done to deliver good practice.

DISCUSSION POINTS

• Reasons for higher refusal rates in China
• Measures taken by the office against bad faith
• The importance of use evidence in different procedures
• General procedures to follow and pitfalls to avoid
• Licensing and assignment best practices

REFERRED IN THIS ARTICLE

• 14th Five-Year Plan for Patent and Trademark Examination
• Trademark Law
• Christian Louboutin v CNIPA
• Anti-Unfair Competition Law
• Several Provisions on Regulating the Application for Registration of Trademarks (2019)

PROSECUTION OVERVIEW

According to statistics issued by the World Intellectual Property Organization (WIPO), China housed over 9.45 million trademark applications (class count) and 7.76 million trademark registrations (class count) from resident and non-resident applicants in 2021. The volume of filing activity with the China National Intellectual Property Administration (CNIPA) topped the rankings, followed by the United States Patent and Trademark Office, the European Union Intellectual Property Office and the offices of India. China also led with 37.2 million active trademark registrations in 2021, followed by 2.8 million in the United States and 2.6 million in India.
While the strong performance in filing activity should be celebrated, new applications are facing increased risk of refusal due to similar prior trademarks in the first-to-file jurisdiction. On top of that, the CNIPA has rigorous standards regarding a trademark’s registrability based on its legality and distinctiveness. In 2021, 43% of applications were refused (27.8% total refusal and 15.2% partial refusal) during preliminary examination by the CNIPA (not including international applications extended to China through the Madrid System), according to the office’s annual report that year.\[3\]

In the background, the CNIPA has been working to shorten the pendency of trademark registration, refusal review and other procedures. The 2021 annual report notes the average examination pendency of four months for trademark registration, making it a seven-month registration cycle. The 14th Five-Year Plan for Patent and Trademark Examination, released by the CNIPA on 20 January 2022, expects to further shorten the examination pendency of refusal review from the six months it was in 2020.\[4\]

**REGISTRATION FILING**

As set forth in the Trademark Law of China:

> 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.

Despite that the types are not listed exhaustively in different languages, other signs such as positions, smells and tastes are not officially accepted or cannot be filed for registration in practice. Therefore, general protection of these new trademark types is still developing in theory in China. It is not impossible to register a non-traditional trademark, but it is not easy and is more likely to be an isolated case – it took nearly 10 years for Christian Louboutin’s red sole trademark application to be eventually affirmed as registrable by the Supreme People’s Court (SPC) as a single-colour trademark applied to a specific position.

**International Registration No. 1031242, Or No. G1031242, Registered With The CNIPA**
If registration of a trade dress is desired, such as with the above-mentioned red sole trademark, it may be filed as a device (figurative trademark) or a three-dimensional trademark depending on the presentation of the trade dress. Regarding the latter option, it is further required that the sign does not merely indicate the shape inherent in the nature of the goods concerned, or achieve technical effects or give the goods substantive value. In practice, three-dimensional trademark applications for the shapes of products or a products’ containers are generally refused owing to a lack of distinctiveness, which is difficult to overcome. When such a trade dress cannot be protected by trademark registration, remedies may be sought pursuant to the Anti-Unfair Competition Law of China, which prohibits acts of confusion against one’s trade dress, on the condition that the trade dress has acquired certain influence through use.

Regardless of the type, a sign should also be legally allowed for registration and use. While the lack of distinctiveness is still likely necessary to overcome, a sign considered illegal cannot be used as a trademark, let alone registered, such as those identical or similar to state names, flags or emblems, discriminative against any race, consisting of misleading or fraudulent advertising, or detrimental to socialist morals or customs or having other unhealthy influences. As a result of cultural differences, many may find it difficult to understand the final type of violation, which can be further explained according to CNIPA’s Guidelines for Trademark Examination and Trial and a judicial interpretation issued by the SPC as: the sign itself or its elements are likely to have negative impacts on public norms, good atmosphere and habits, or public interest or social order, etc, in China. Words (including abbreviations and translations) and graphics with negative or indecent meanings are likely to fall within this scope and should be avoided.

With millions of active trademark registrations in place, it is not uncommon for an aspiring brand owner to find an identical or similar prior trademark filed by another applicant
coincidently, or by a hoarder or a squatter in bad faith. There are actions to take pursuant to laws and regulations trying to strike a balance between the first-to-file principle and the rights and interests in and to prior unregistered trademarks. As China has been taking a harder line on bad faith filing and registration, any person now has the right to try to oppose or cancel these trademarks. If a specific unregistered trademark is cited, its prior use and reputation (mainly in China) will have to be established to fight against an identical or similar registration, which requires substantial evidence to prove that the unregistered trademark has become well known or at least influential to a certain extent among the relevant public before the confusing registration was filed. Thus, it is always safest to make sure that your client is the first to file; however, if unfortunately they are not, it is critical to seek other ways to register, such as through copyright and preserving evidence of use for possible actions.

OPPOSITION AND CANCELLATION

The actions available to annul a trademark include opposition, invalidation and cancellation, with different requirements of the acting parties and trademark status, and distinct consequences and remedies.

General Procedures

For any action, the filing should go through formal examination first, which takes around two months before the CNIPA confirms acceptance of the case by issuing an official filing receipt. The CNIPA will then serve the documents to the respondent and notify the party to file a response, if any, to be subject to another round of formal examination. Other actions except invalidation (there will be a cross-examination procedure if a response is filed, on which opinions may be submitted by the acting party) will move on to substantive examination to be concluded with a decision by the CNIPA. The procedures, including cross-examination, are conducted in writing only and follow prescribed time limits strictly. Extra submissions are generally not acceptable unless they may otherwise be approved by the examiners in special scenarios.

Applicable Scenarios

The grounds of action include absolute (bad faith, legality and distinctiveness) and relative (prior rights) reasons. The former can be cited by anyone in an action including opposition, invalidation and cancellation (based on loss of distinctiveness or no trademark use for three consecutive years after registration), and the CNIPA may also act ex officio against registrations of trademarks with illegal elements or obtained by improper means, as well as registrations not compliant with the law. On the contrary, when it comes to similarity, only an interested party, such as the owner of a prior right, is entitled to act.

Before the 2019 amendment of the Trademark Law, bad faith was implied as a violation contrary to the good faith principle set forth in the general provisions and reflected in some examples scattered in the law and relevant provisions but not always consistently applied in practice. It is now provided in Article 4.1 that "Bad faith trademark registration applications that are not intended for use shall be rejected", and there is further clarification on the factors to consider in the Several Provisions on Regulating the Application for Registration of Trademarks (2019), including:

- the quantity and classes of the applications and registrations, and the transaction history of the person and affiliates;
• the industry and operation;
• previous decisions or rulings on bad faith or trademark infringement;
• similarity to others mark with certain reputation; and
• similarity to famous people, trade names or other commercial signs, etc.

The change has broadened the choices and provided clearer guidance for parties trying to protect their brands.

Non-use cancellation plays an important role in encouraging trademark registrants to use their trademarks and avoid idleness and wasting resources, especially considering the gigantic figure of active trademark registrations. In recent years, the CNIPA has adopted more stringent standards on the authenticity and validity of the evidence of use, so the action can be an effective tool against identical or similar prior registrations that do not seem to be violating the law in any other ways, as long as they have been registered for more than three years. An action may be filed against some or all of the designated goods or services as needed, with prima facie evidence of the trademark at issue not found used on the Internet. As the action is available to anyone, some may prefer to file in an irrelevant third party’s name to avoid direct conflict with the trademark registrant.

**Consequences And Remedies**

Successful opposition and invalidation actions both lead to the loss of rights *ab initio*, while cancellation decisions do not have retroactive effects as revocation happens when a trademark no longer functions after being registered. Although the decisions will only come into force when no appeals are filed, the effective dates are different. Opposition and invalidation decisions take effect from the dates when they are made, contrary to cancellation effective from the publication date after a decision is issued.

When brand owners resort to invalidation and non-use cancellation actions, trying to clear the path for their own applications that are filed alongside or soon after favourable decisions are delivered, they may be surprised and perplexed to find their applications still refused owing to these prior trademarks no longer being valid. This is because a one-year phase-out period is provided according to Article 50 of the Trademark Law, and a situation requires actions to keep the current applications alive or re-filing, or both:

If a registered trademark is revoked, nullified or subject to no renewal upon expiration of the period of validity, the Trademark Office shall not approve any application for the registration of a trademark identical with or similar to the said trademark within one year as of the day of the revocation, nullification or cancellation.

In the event of dissatisfaction with a decision from opposition, invalidation or non-cancellation procedures, different remedies are available to the parties. A review by the CNIPA applies to post-opposition (except for the opponent) and post-cancellation procedures, while the parties appealing against an invalidation decision will have to file an administrative lawsuit with the Beijing Intellectual Property Court.

<table>
<thead>
<tr>
<th>Opposition</th>
<th>Absolute reasons</th>
<th>Anyone</th>
<th>Within 12 months of</th>
<th>Opponent: to file an</th>
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[China: What Rights Holders Need to Know About Trademark Prosecution](#)
<table>
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<tr>
<th>Relative reasons</th>
<th>Prior rights holder</th>
<th>Expiration of publication period</th>
<th>Invalidation action</th>
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<tbody>
<tr>
<td>After registration, within five years of registration</td>
<td>Relative reasons</td>
<td>Prior rights holder</td>
<td>To file an administrative lawsuit</td>
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<tr>
<td>After five years from registration</td>
<td>Relative reasons based on a well-known trademark</td>
<td>Owner of well-known trademark</td>
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<tr>
<td>Non-use cancellation</td>
<td>After three years from registration</td>
<td>Absolute reasons</td>
<td>Anyone</td>
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China: What Rights Holders Need to Know About Trademark Prosecution
ASSIGNMENT AND LICENSING

Regardless of any agreement, approval and publication of assignment by the CNIPA is mandatory for the assignee to enjoy the exclusive trademark rights as set forth in the Trademark Law. It is also provided that the assignor and the assignee should sign an agreement and jointly apply for assignment, but the agreement need not be submitted along with the application in practice, nor are formalities such as notarisation or legalisation in addition to signature or company seal necessary. Simple as the procedure and requirements may seem, trademark assignment is a big deal to be handled carefully in case anything goes wrong, especially considering there is generally around a five months’ wait (during which the application can be withdrawn), and ex officio refusal is likely if bad faith is detected by the CNIPA.

Below is a checklist of what to look out for before entering into a trademark assignment.

- Is the trademark to be assigned valid? Is there any ongoing action that may cause invalidation, revocation or the rights to be undermined in any other ways? Assignment also applies to a trademark filed but not yet registered, but if it becomes invalid in the course of the CNIPA’s examination, the assignment will not be approved.

- Does the assignor own any trademarks similar to the one to be assigned? Identical and similar trademarks should be assigned together pursuant to the Trademark Law, which include those designated as similar goods. Similarity is generally determined according to the Classification for Similar Goods and Services formulated and practised by the CNIPA based on the Nice Classification system, but do not let that define the classes as the standards of similarity may develop as the client’s business needs do. Make sure to cover the items that may cause concern, even if they may not be similar according to the law at the time.

- Does the trademark to be assigned meet the requirements of legality and distinctiveness? Is there any sign of possible bad faith in the filing and assignment history of the assignor? The CNIPA will reject the assignment if the trademark is considered a violation. Past assignment of a trademark filed or registered in bad faith does not make a difference to its nature even if the assignee is not aware of the situation.

- Has the trademark to be assigned been licensed? In the case of an ongoing trademark licence, it will continue to be effective during the agreed term between the licensor (assignor) and the licensee, unless otherwise agreed by the parties.

As for the trademark licence, it may be recorded with the CNIPA for publication upon an application filed by the licensor, which is not required to give the licence effects. However, if the licence is not recorded, it shall not be cited against a bona fide third party. Similarly, the official recordal procedure does not require submission of the agreement, but a form that sets out the basic facts of the licence, including the licensor, the licensee, the licensed trademark and goods and services, and the term and type of the licence (eg, exclusive licensing, sole licensing or general licensing). It is of significant importance to distinguish between and choose from the three licensing types with different scopes of rights. The licensee under exclusive licensing is the most powerful and has the right to take action...
independently when infringement occurs. In general, recording a trademark licence means more to the licensee as a way to make its rights known and better protected against third parties.

Besides the basic facts as mentioned above, attention should be paid to the following aspects, some of which are listed separately for the licensor and the licensee as they usually have quite different concerns.

<table>
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<th>Licensor</th>
<th>Licensee</th>
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<tr>
<td>• Standard and compliant trademark use</td>
<td>• Trademark validity and stability</td>
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<td>• Preservation of use evidence</td>
<td>• Licensing history, especially any conflicting licensees</td>
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<td>• Quality control</td>
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<td>• Due diligence investigation</td>
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<td>• Payment of royalties</td>
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<td>• Non-infringement</td>
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<td>• Action against trademark infringement</td>
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<td>• Arrangement on the manufacture or sale upon expiration of the licence</td>
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**TAKEAWAYS**

In summary, the five key need-to-knows for trademark prosecution with the CNIPA in China are:

• China is a first-to-file jurisdiction, so filing is recommended as early as possible;
• China houses the most trademark applications and registrations, with a considerably high refusal rate, for which applicants should be well prepared;
• the CNIPA rigorously examines on absolute reasons for refusal (bad faith, legality and distinctiveness) in various procedures;
• it is critical to preserve evidence of trademark use in China to establish the reputation and influence that may be cited against others; and
• assignment of trademark rights is not recognised until approved and published by the CNIPA, while licences need to be approved.

In mid-January 2023, the CNIPA published the most recent draft amendment to the Trademark Law for comments from the public, which has triggered debates among interested parties due to the suggested changes that may substantially affect the landscape of trademark prosecution and enforcement. Regardless of how the amended law will eventually turn out, combating bad faith should remain a key issue to be facilitated by more measures.

**Endnotes**


4 The 14th Five-Year Plan for Patent and Trademark Examination, https://www.cnipa.gov.cn/module/download/downfile.jsp?classid=0&showname=%E4%B8%8A%E5%88%A9%E5%92%8C%E5%AE%A1%E6%9F%A5%E2%80%9C%E5%8D%81%E5%9B%98%E4%BA%94%E2%80%9D%E8%A7%84%E5%88%92.pdf&filename=304695a3b4d34a00a38dce5f844d9fd3.pdf.

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Read more from this firm on WTR
India: Solutions for Addressing Grievances to Enhance Efficiency of Trademark Dispute Resolution

Manisha Singh and Omesh Puri
LexOrbis

Summary

IN SUMMARY
DISCUSSION POINTS
REFERENCED IN THIS ARTICLE
CRITERIA FOR TRADEMARK REGISTRATION
TRADEMARK REGISTRATION PROCESS
NON-TRADITIONAL TRADEMARK REGISTRATION
TRADE DRESS PROTECTION
TRADEMARK OPPOSITION PROCEEDINGS
TRADEMARK OWNERSHIP CHANGES AND TRANSFERS
TRADEMARK CANCELLATION OR RECTIFICATION
ENFORCEMENT OF TRADEMARK RIGHTS
RECENT DEVELOPMENTS
CONCLUSION
IN SUMMARY

This comprehensive study delves into the realm of trademark protection and enforcement in India, with the Trade Marks Act 1999 serving as the governing legislation for registration and enforcement. It explores the safeguarding of both registered and unregistered marks, the criteria for registration, enforcement mechanisms and recent developments. The analysis delves into passing off for unregistered marks, the registration process, non-traditional trademark registration, trade dress protection, opposition proceedings, changes in ownership, cancellation and rectification, enforcement remedies and recent initiatives.

DISCUSSION POINTS

- Trademark protection in India
- Criteria for trademark registration
- Non-traditional trademark registration
- Trade dress protection
- Trademark ownership changes and transfers
- Trademark cancellation or rectification

REFERENCED IN THIS ARTICLE

- Trade Marks Act 1999
- Trade Marks Rule 2017
- Emblems and Names (Prevention of Improper Use) Act 1950

India’s intellectual property regime is governed by the Trade Marks Act 1999 and the Trade Marks Rule 2017, which provide a comprehensive mechanism for the registration and enforcement of trademark rights in India. The Indian trademark regime extends protection to both registered and unregistered marks. In the case of misuse of a registered mark, the right holder can initiate an infringement action against the infringing party. On the other hand, for unregistered marks, the right holder can seek protection under the law of passing off. To establish a claim for passing off, the plaintiff must: demonstrate established goodwill or reputation of their mark attached to relevant goods or services; prove misrepresentation by the defendant likely to deceive the public; and show damage suffered or likely to be suffered by the plaintiff.

CRITERIA FOR TRADEMARK REGISTRATION

In India, a mark capable of being represented graphically and distinguishing the goods or services of one entity from others can be registered as a trademark. This includes various forms such as devices, brands, headings, labels, tickets, names, signatures, words, letters, numerals, shapes of goods, packaging, a combination of colours and even sound marks.
However, certain types of marks cannot be registered in India. The following categories of marks are ineligible for registration:

- marks that lack distinctive character;
- descriptive marks that provide information about the goods or services, such as their quality, quantity or geographic origin, and cannot be registered;
- marks that have become customary in the current language;
- marks that cause confusion and deception;
- marks that are likely to hurt religious sentiments;
- marks that contain obscene or scandalous matter;
- marks that are prohibited under the Emblems and Names (Prevention of Improper Use) Act 1950;
- marks that exclusively consist of the shape of goods resulting from the nature of the goods themselves or those necessary to obtain a technical result or give substantial value to the goods;
- marks identical or similar to well-known marks;
- marks that are prevented by copyright law; and
- marks that are protected by the law of passing off as unregistered trademarks, which cannot be used or registered by other parties as trademarks.

**TRADEMARK REGISTRATION PROCESS**

The application for trademark registration can be filed either online or offline with the Trade Marks Registry. After fulfilling the required procedural formalities, the application undergoes extensive examination on different absolute and relative grounds for refusal. If any objections arise, the applicant gets one month to respond after receiving the examination report. If the objections persist, a hearing is scheduled to present the oral arguments of both parties. If the examiner is satisfied with the response, the mark is advertised in the Trade Marks Journal, and four months is allowed for third-party opposition. If the application is refused after the hearing, an appeal can be filed with the concerned high court within three months. If no opposition is filed during this period, the mark proceeds towards registration.

**NON-TRADITIONAL TRADEMARK REGISTRATION**

India also allows the registration of non-traditional trademarks, such as colour marks, motion or animated marks, sound marks and shape marks.

- Registration of a combination of colours as a trademark can be applied for by submitting a reproduction of the mark in colours with colour codes.
- Where a mark contains a shape of the goods or its packaging or is a three-dimensional mark, the reproduction of the mark must contain different views of the trademark and a description of the nature of the mark in words. If the representation of the trademark provided by the applicant does not show clearly all the features of the trademark, the registrar may require up to five further views of the trademark.
For a sound mark, a sound recording must be submitted in MP3 format, not exceeding 30 seconds in length and recorded in a medium that allows easy and clear audible replay with a graphical representation of its notation.

• For a motion mark, an appropriate representation of the mark clearly showing the motions must be filed.

TRADE DRESS PROTECTION

The current market scenario poses numerous challenges for businesses, where the overall packaging of a product significantly influences a consumer's purchasing decisions. Elements such as packaging design, colour combinations and product shape, texture, graphics and illustrations are collectively known as trade dress. These elements are safeguarded to mitigate misuse by other parties seeking to imitate the product's overall appearance to capitalise on its established goodwill and reputation. Indian trademark law specifically has a provision for trade dress protection including the shape of goods, packaging and colour combinations. To qualify for protection, the overall appearance of the product must be distinctive, either inherently or through acquired distinctiveness.

Rights holders often face the challenge of selecting the most appropriate IP legislation for safeguarding a particular shape. Generally, if the shape of a product is novel, original and undisclosed to the public, it should be protected through design registration. However, where the right holder has not registered the shape under design law, it may still be protected under trademark law or the common law tort of passing off if it has acquired distinctiveness through prolonged and continuous use. To successfully claim passing off, the right holder must demonstrate that the specific shape has become distinctive of their goods or services, is exclusively associated with them and that its use by others would confuse the public.

TRADEMARK OPPOSITION PROCEEDINGS

Opposition against a trademark application can be filed on both absolute and relative grounds for refusal. Any individual can file an opposition against a conflicting mark, and these opposition proceedings involve three stages: the pleading stage, the evidence stage and the hearing stage.

• Pleading stage: the pleading stage commences with the filing of a notice of opposition, which outlines the grounds on which the opposition is filed against the conflicting mark. The notice of opposition must be submitted within four months of the date of the mark's advertisement in the Trade Marks Journal. This period is non-extendable. Upon receiving the notice of opposition, the applicant (proprietor) of the mark has two months (non-extendable) to file a counterstatement. Failure to submit a counterstatement results in the application being deemed abandoned.

• Evidence stage: once the counterstatement is received, the opponent must present evidence supporting their opposition by way of an affidavit within two months of the date of official service of the counterstatement by the Registry. Alternatively, the opponent can inform the registrar that they do not wish to provide any evidence and submit a letter relying on the contents of the notice of opposition. Subsequently, upon receiving the opponent's evidence, the applicant is given two months to present their evidence in support of the application. The applicant also has the option to submit a reliance letter, simply relying on the statements made in their counterstatement. Failure by either the opponent or the applicant to file evidence in the form of an
affidavit or reliance letter results in the opposition or application being deemed abandoned. Once evidence is received in support of the application, the opponent has one month to file evidence in reply.

• Hearing stage: after the completion of the evidence stage, the registrar schedules a hearing on the merits of the case and renders orders either allowing or dismissing the opposition.

TRADEMARK OWNERSHIP CHANGES AND TRANSFERS
Assignment and licensing are allowed for both registered and unregistered marks in India. However, the recordal of a licence can only be done for registered marks. In the application for recording a licence, the parties must file within six months of the date of signing the agreement. Additionally, the records for the name and address must be updated with the Trade Marks Registry. Trademarks are valid for 10 years from the application date and must be renewed every 10 years thereafter.

TRADEMARK CANCELLATION OR RECTIFICATION
Cancellation or revocation of trademark proceedings can be initiated through two avenues: before the Trade Marks Registry or a concerned high court.

Proceedings Before The Trade Marks Registry
The cancellation proceedings commence with the filing of Form TM-O, along with a statement of the case submitted by the applicant, who is referred to as the “aggrieved person”. In this statement, the nature of the applicant’s interest, facts and relief sought are outlined. Subsequently, a copy of the petition is served to the registered proprietor by the Trade Marks Registry.

Once the application is received, the registered proprietor must file a counterstatement within two months to defend their trademark registration. However, this period may further be extended by one month if required. Following the filing of the counterstatement, the Registry serves a copy of the same to the applicant within one month.

If the registered proprietor fails to submit a counterstatement within three months, the applicant for rectification may proceed to file evidence in support of the application, as stipulated. The subsequent proceedings mirror those of opposition proceedings, as mentioned above.

Proceedings Before The Concerned High Court
Alternatively, revocation petitions can be filed before five high courts in India, based on the jurisdiction of the registered trademark. The five high courts are in Ahmedabad, Chennai, Delhi, Kolkata and Mumbai.

To commence revocation proceedings, any person who claims to be aggrieved (ie, any person substantially interested in getting the mark removed from the Register or any individual whose rights may be significantly affected by the impugned registration) may initiate action.

ENFORCEMENT OF TRADEMARK RIGHTS
There are various remedies available to the aggrieved parties for trademark infringement, which include civil, criminal and border enforcement measures.
• Civil remedies: in civil proceedings, third parties using the infringing mark can be injunctioned, meaning they can be restrained from further use of the mark. Additionally, the court can award damages to compensate the trademark owner for the losses incurred owing to the infringement. The court may also order the rendition of accounts, delivery and destruction of infringing products to prevent further misuse of the trademark.

• Criminal remedies: in criminal proceedings, offenders found guilty of trademark infringement can face imprisonment and be subjected to fines. The court can seize the infringing copies and deliver them to the rightful owner.

• Border enforcement: border enforcement measures involve the prohibition of the import of infringing material, aiming to prevent counterfeit goods from entering the country. The government of India has empowered IP owners to protect their intellectual property rights at Indian borders through the Intellectual Property Rights (Imported Goods) Enforcement Rules 2007. To utilise this protection, it is essential to have a validly registered trademark or IP right. The period of protection granted by Customs is five years from the date of recordation of rights with the Customs authorities or upon the expiration of the trademark or IP right registration validity, whichever comes earlier. After this initial five-year period, the right holder needs to submit a fresh notice to continue the protection.

• Preliminary injunction and permanent injunction: in trademark infringement cases, the plaintiff can seek a preliminary injunction before the trial. To obtain a preliminary injunction, the plaintiff must establish a prima facie case, demonstrate the likelihood of irreparable injury if the relief is not granted, and show that the balance of convenience favours granting the injunction. If these conditions are met, the court may grant a preliminary injunction to protect the plaintiff's rights until a final decision is made. After the trial or if the plaintiff obtains relief through summary judgment, the court may pass an order granting a permanent injunction. This injunction permanently restrains the defendant from using the infringing mark.

• Appeals and Supreme Court jurisdiction: if a judgment is passed by a district court, an appeal can be filed in the relevant high court. If the judgment is passed by a single judge of the high court, the appeal may be brought before the division bench. Appeals to the Supreme Court of India are allowed only on questions of points of law.

• Anti-Counterfeiting measures: anti-counterfeiting is a critical aspect of trademark enforcement. The Indian Penal Code (IPC) defines 'counterfeiting' as an act intending to deceive by causing one thing to resemble another. Counterfeiting is considered an act of cheating under Section 420 of the IPC, punishable with imprisonment of up to seven years and a fine. Sections 102, 103 and 104 of the Trade Marks Act define offences, penalties and procedures related to falsification and falsely applying for trademarks. Offenders can face imprisonment ranging from six months to three years, along with a fine. Offences defined under the Trade Marks Act are cognisable, allowing police officers of designated ranks to arrest offenders without a warrant and initiate investigations. Before taking any action under the Trade Marks Act, police officers must seek an opinion from the registrar of trademarks on the facts of the case. This helps ensure proper enforcement of trademark rights and deter counterfeit activities.
RECENT DEVELOPMENTS

Recent developments in the field of intellectual property in India have focused on improving electronic systems for easy stakeholder access and providing transparent mechanisms for grievance redressal. Initiatives have been undertaken to expedite case disposal and reduce backlogs.

- Open house for discussion of grievances: at the National Intellectual Property Conference 2022, the Union Minister of Commerce and Industry proposed the establishment of an open house communication system to address concerns and grievances within the IP fraternity. The IP Office promptly implemented this suggestion and began conducting open house sessions on 17 October 2022. These sessions allow direct communication and discussions regarding various IP-related matters. Open house discussions occur every week from Monday to Friday from 4.30pm to 5.30pm (IST) and have successfully addressed multiple challenges faced by stakeholders across different IP offices.

- IPO Grievance Portal: the IP Office has also launched the Grievance Portal, providing stakeholders with a platform to lodge complaints against officials for unnecessary demands or other issues faced during the processing of their applications. The portal aims to facilitate the quick resolution of grievances.

- Update on disposal of trademark opposition cases: to address the pending trademark opposition cases, the IP Office informed the Delhi High Court of plans to hire 250 contractual opposition hearing officers dedicated to reducing the backlog. According to a status report, the number of officials handling opposition matters has increased, resulting in a slight decrease in the pending cases. However, as of 31 December 2022, a total of 238,951 trademark opposition cases remained pending. The intended mass hiring aims to significantly reduce this backlog.

- Functioning of the Intellectual Property Division at the Delhi and Madras high courts: following the abolition of the Intellectual Property Appellate Board (IPAB), the commercial divisions of the high courts at Delhi, Mumbai, Chennai, Gujarat and Kolkata have taken over pending appeal matters and revocation and rectification actions. The Delhi High Court established the Intellectual Property Division (IPD) to handle IP matters, resulting in faster case disposal, especially in appeals from refusal orders issued by the Registrar of Trade Marks. The IPD started functioning on 28 February 2022 and currently has separate benches presided over by Hon'ble Mr Justice C Hari Shankar and Hon'ble Ms Justice Pratibha Singh. The Madras High Court has also created an IP Division, and the Madras High Court Intellectual Property Rights Division Rules 2022 govern its proceedings.

These developments aim to enhance the efficiency and effectiveness of IP dispute resolution, offering stakeholders timely and fair adjudication of their rights.

CONCLUSION

The Trade Marks Act plays a pivotal role in shaping India's trademark registration and enforcement framework. With a focus on both registered and unregistered marks, the Act provides a robust system to protect the rights of trademark owners. Additionally, the creation of the Intellectual Property Division in the High Court of Delhi and Madras and the hiring of more hearing officers are significant steps toward improving the efficiency of trademark
hearings and enforcement in India. As India continues to evolve as a major player in the global market, trademark protection remains essential for businesses to safeguard their brands and intellectual property.

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Taiwan: Draft Amendments Aim to Attract More Rights Holders to Apply for Protection

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Summary
IN SUMMARY
This article introduces the trademark application process in Taiwan, from examination to the registration and publication process, and the most recent Taiwan Trademark Law draft in 2023.

DISCUSSION POINTS
- Trademark application process
- Trademark examination
- The rights of third parties during the period of trademark publication
- The latest Taiwan Trademark Law draft in 2023

REFERRED IN THIS ARTICLE
- Taiwan Trademark Act
- Enforcement Rules of the Trademark Act

TAIWAN TRADEMARK APPLICATION PROCESS
The basis for the registration of trademark rights can generally be divided into two types: first to register and first to use. First to register is the main way to obtain trademark rights in Taiwan. After the applicant files a trademark application, it goes through two processes: procedural examination and substantive examination.

Procedural examination refers to the review of the documents provided by the trademark applicant to confirm whether the submitted documents comply with the Taiwan Trademark Act and whether the identification of designated goods or services are acceptable. If the application does not comply with these requirements, an official notice by the Taiwan Intellectual Property Office (TIPO) will be issued.

After procedural examination, the TIPO begins to examine whether the applied trademark is distinctive or has grounds of refusal for non-registration, such as likely causing confusion, trademark squatting and likely causing confusion with another's well-known trademark.

If the application overcomes all the issues raised in the examination, the trademark will be published for registration.

THE PUBLIC REVIEW SYSTEM AFTER THE TRADEMARK IS APPROVED: OPPOSITION AND INVALIDATION
Who can file an opposition or invalidation against a registered trademark?
Anyone (for opposition) or an interested party (for invalidation) who thinks that a registered trademark lacks distinctiveness, or it could likely cause confusion with a previously registered trademark, or other legal provisions stipulate that it cannot be registered. In those cases, a party can file in opposition or for invalidation to the TIPO to revoke the registration.

Recently, the most famous case in Taiwan regarding trademark opposition was **STARLUX Airlines v Songlin Travel Agency** for the Chinese trademark " 星宇航空" (Chinese translation of "STARLUX Airlines").
Zhang Guo-Wei, the founder of STARLUX Airlines, publicly announced the establishment of his new company in November 2016, and widely publicised and reported it through the media. When he tried to apply for the trademark in 2017, however, it had been applied for by Songlin Travel Agency in December 2016, and designated in the same services of sightseeing and tourism transportation services and provision of catering services with STARLUX Airlines. After about two years’ fight, STARLUX Airlines finally won the opposition case by proving that the trademark had been intently squatted by Songlin Travel Agency.

THE INTRODUCTION OF A 2023 TAIWAN TRADEMARK LAW DRAFT

Abolition Of Opposition Procedure

In view of the similarity between opposition and invalidation, the Legislative Yuan decided to abolish the opposition procedure, and the illegality of trademark registration is uniformly resolved through the invalidation procedure. At the same time, the restrictions qualifying applicants are relaxed. Namely, anyone will be able to file for invalidation against illegal trademark registrations.

Trademark Attorney Certification

According to Taiwan's trademark laws and regulations, those who can perform trademark agency business are “specialized professionals (such as lawyers and accountants)” or “trademark attorneys”. The newest draft of Taiwan Trademark Act requires a stricter qualification of trademark attorney. They must:

1. pass the trademark professional ability certification examination held by the TIPO; or
2. have engaged in trademark examination work for a certain period of time; and
3. apply for registration as a trademark attorney in the TIPO; and
4. complete a certain number of hours of on-the-job training each year.

Acceptance Of Accelerated Approval System

If the trademark applicant needs to obtain the trademark rights earlier, he or she may apply to the TIPO for accelerated examination after stating the facts and reasons as to why the application needs this procedure and paying the accelerated examination fee.

CONCLUSION

Internationalisation has always been the goal pursued by Taiwan’s intellectual property legal system. Through the newest Trademark Act amendments, trademark registration procedures can be simplified and costs can be reduced, thus encouraging more trademark owners to apply for trademark protection. Furthermore, more Taiwan enterprises will be willing to invest in brand and innovation to improve the effectiveness of products and services, thereby promoting market competition and economic development.
Taiwan: Draft Amendments Aim to Attract More Rights Holders to Apply for Protection

Explore on WTR
Thailand: Examiners’ Unique Approach to Distinctiveness Underscores Complex Registration Process

Panisa Suwanmatajarn
The Legal Co Ltd

Summary

IN SUMMARY
DISCUSSION POINTS
REFERENCED IN THIS ARTICLE
WHAT CAN I REGISTER?
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HOW ARE UNREGISTERED RIGHTS PROTECTED?
HOW ARE NON-TRADITIONAL MARKS PROSECUTED?
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IN SUMMARY

The trademark registration process in Thailand is a complex and time-consuming process. The examiner in Thailand has a unique approach to considering whether a trademark is distinctive. More interesting is what the examiner considers to be acceptable goods and services under the item-by-item meaning of the goods and services.

DISCUSSION POINTS

• What can I register and what can I not register?
• How are unregistered rights protected, and how is trade dress protected?
• How are non-traditional marks prosecuted?
• How are oppositions and cancellations handled?
• What are the pendency levels for the past 12 months?
• How to transfer ownership of trademark registrations, and licensing best practices
• What are the five key ‘need-to-knows’ for Thailand

REFERENCED IN THIS ARTICLE

• Thai Trademark Act BE 2534 (1991)
• Examiner Registration Manual BE 2565 (2022)
• Penal Code
• Ministerial Regulation No. 5 BE 2560 (2017)
• Civil and Commercial Code
• Unfair Contract Terms Act BE 2540 (1997)

WHAT CAN I REGISTER?

In Thailand, you can register the following types of trademarks and service marks, including word marks and device marks:

• word marks: these are trademarks consisting of words or letters;
• device marks: these are trademarks consisting of images or, logos, or a combination of both;
• service marks: these are trademarks used to distinguish services from physical products;
• three-dimensional marks: these are trademarks comprising the shape or packaging of a product;
• sound marks: these are trademarks comprising a distinctive sound;
• collective marks: these are trademarks used by members of an association or group to identify themselves with a particular trade, service or geographical origin; and
certification marks: these are trademarks used to indicate that a product or service meets a certain standard or certification.

The proposed trademark must be distinctive, not prohibited under applicable laws and not similar or identical to pending or registered trademarks of other persons.

One problematic aspect of trademark registration in Thailand is how a distinctive trademark is considered. The examiner in Thailand has a unique approach to considering whether the proposed trademark is distinctive.

A distinctive trademark is a mark that is capable of distinguishing the goods or services of one trader from those of another. According to the Thai Trademark Act BE 2534 (1991) and its amendments,[1] a trademark is considered distinctive if it:

- does not describe the nature, quality or characteristics of the goods or services;
- is not a commonly used or recognised term in the relevant trade or industry;
- does not indicate the geographical origin of the goods or services; and
- is not deceptive or misleading.

There was a case where a bank brought a case against the Department of Intellectual Property (DIP), which oversees the Trademark Office, under which the examiner determined that the trademark below was unregistrable due to the non-distinctive nature of the proposed mark.

In most cases, the examiner tends to consider any abbreviated mark to be non-distinctive. The same goes for captions or descriptions of goods or services. The examiner tends to ignore whether the proposed mark directly references the goods or services. On the other hand, the Trademark Act clearly requires direct reference as the primary test. In this particular case, the bank did not agree with the examiner’s decision. The case was brought to the Supreme Court’s consideration and the Supreme Court decided in the ruling No. 2587/2559[2] that:
If the words or statement that the Plaintiff applied for a service mark registration did not have direct characteristics or natures of commercial bank services as applied, the said words or statement could be deemed as having distinctiveness in itself as prescribed in Section 80 in conjunction with Section 7 paragraph two (2) of the Trademark Act B.E. 2534 (1991). In applying for registration of the service mark "TMB Make THE Difference", as the service mark which would be used for Class 36 commercial bank services, they had a nature of generic description not directly related to the commercial bank services which was the service item the Plaintiff applied for registration in any way. The said statement had a nature of suggestive word only not a descriptive word that enabled the public or the service users to immediately know or understand the nature or characteristic in relation to commercial bank activities specifically but the service users had to use their imagination or find additional information to know that the Plaintiff’s commercial bank services were different from others. Moreover, the statement “Make THE Difference” was not commonly used in commercial bank services in any way. Therefore, the statement “Make THE Difference” did not convey the characteristic or nature of commercial bank directly and was not commonly used in commercial bank services that Plaintiff applied for registration. As a result, Plaintiff’s service mark "TMB" with the statement "Make THE Difference" which are component parts of the image of the service mark have inherent distinctiveness and are registrable and the Plaintiff does not have to disclaim exclusive right in using the statement in Roman letters "Make THE Difference".

WHAT CAN I NOT REGISTER?

A trademark that does not have a specific character within the meaning of the first paragraph of Section 7 of the Trademark Act BE 2534 (1991) has characteristics that can be used by the public in all industries, all businesses and groups of individuals. Therefore, it lacks the feature that makes the public or the user of the product aware of and understand that the product using the trademark is different from other products.

The most common aspects of a product that parties attempt to register relate to the general meaning used by the public in industries and businesses. All groups of persons may use and should not grant any person the exclusive right to use marks related to general meaning of a product, including generic terms and product names. Examples – see the Examiner Registration Manual BE 2565 (2022) and commonly used symbols are as follows:

- international expressions, such as ‘international’ and ‘global’;
- ‘guaranty’, ‘warranty’, etc;
- model or product numbers (eg, series numbers, classes and generation types);
- colour names and their classes, such as green, green, dark silver and dark grey;
- readings of numbers, letters and counts (eg, AB, One, First, Twin, Double and XLVI (Roman numerals));
- names of diseases, such as covid-19, HIV, Ebola and H1N1;
- country-related language, such as ‘American’, meaning about the country;
- currency symbols, such as baht and dollar;
- mathematical symbols, such as +, -, %, Alpha, Beta, Σ and β;
commonly used pictograms, such as those to related to disability and gender symbol; and

- others, such as Eco3D, 4D, tec, technology, original, organic and classic.

Any words or statements directly referring to the characteristics or services of the product or services that are non-distinctive must be clear to consumers immediately or must only require a little judgment to understand. For example, ‘STEELSCREWS’ means screws made of steel. When applied to a product, threaded nails made of metal, it may cause consumers to immediately understand that it is a product of threaded nails made of steel. Thus, ‘STEELSCREWS’ is non-distinctive.

Translation of a non-distinctive trademark is considered non-distinctive even if there are several meanings and one of these meanings directly addresses the characteristics of the product. This consideration includes an abbreviation of that word. For example, the word ‘cool’ has many meanings, including excellent, modern or cold. When used with goods in Class 17 (window film) it is understood as a window film product that cools the temperature, so it is a term that directly refers to the properties of the product. If used with ‘shirt’ in Class 25, it is understood as a beautiful and modern product, so it is a word that directly refers to the properties of the product. Another example is the word ‘max’ – it is an abbreviation for ‘maximum’, and this can be considered non-distinctive.

Words or text intentionally misspelled can be non-distinctive if, considering a colloquial accent, they can be understood as words or text that have a meaning and that meaning directly describes the characteristics or properties of the product.

Words or text that are written by combining two or more words with two or more meanings, and the meanings of these words may be easily interpreted as a direct description of the appearance or properties of the product, are non-distinctive. For example, ‘Clearview’, which combined the two words ‘clear’ and ‘view’, translates to a clear vision. When used for contact lens products, it can be understood as a contact lens product that makes things clearly visible; it directly describes the features of the product.

Words or statements that directly refer to the characteristics or properties of goods, even if invented to have special characteristics, are considered to be non-distinctive.

Comparative consideration of whether a trademark is identical or similar is another issue. The word ‘identical’ means that the mark is the same and the word ‘similar’ means that the mark is so similar that it may confuse or mislead the public as to the ownership or origin of the goods. Consider whether a trademark is identical or similar not only comparing images, words and text that appear but also all elements of the trademark. All pronunciations, colloquial accents and items that are sought to be registered for use with trademarks should be considered. The same goes for whether the members of the public that use the goods under the trademarks are part of the same groups and have sufficient knowledge to distinguish between the goods under the two trademarks (Supreme Court Decisions No. 3271/2560 and No. 8156/2560).[4]

HOW ARE UNREGISTERED RIGHTS PROTECTED?

In Thailand, unregistered trademarks can still receive protection under the old, but still in effect, Penal Code. Penalties under the Penal Code[5] are very low, and it is more difficult to
prove ownership and enforce the rights of an unregistered trademark owner compared to a registered trademark owner.

To protect an unregistered trademark in Thailand, the owner can take the following steps.

• Monitoring: it is important to monitor and watch out for any instances of infringement or unauthorised use of the unregistered trademark.

• Taking legal action: if an infringement occurs, the owner of the unregistered trademark can take legal action against the infringing party. This can involve filing a complaint with the police and filing a lawsuit and providing evidence of ownership, the use of the mark and the infringement.

HOW ARE NON-TRADITIONAL MARKS PROSECUTED?

In Thailand, non-traditional marks can be prosecuted under the same legal framework as traditional marks. This includes marks with a combination of colours, figurative elements or sounds, or a combination thereof. Notably, scent marks are not recognised under the Trademark Act BE 2534 (1991). To obtain protection for non-traditional marks, the owner must apply for registration with the DIP under the Trademark Act. The application must include a clear representation of the mark. For sound marks, under Ministerial Regulation No. 5 BE 2560 (2017), it is necessary to describe the sound in detail and sound files need to be submitted. While the Ministerial Regulation does not specify any format of sound files, MP3 is the most commonly recognised. Sound notes, graphs and others that represent the characters of sounds can be also submitted.

The DIP will examine the application and determine whether the mark is distinctive and not confusingly similar to existing registered marks. If the mark meets these requirements, it will be published for opposition, allowing third parties to challenge the registration. If no opposition is filed within the specified period, the mark will be registered.

Once registered, the owner of the non-traditional mark can take legal action against infringers, similar to traditional marks. Infringement of non-traditional marks can occur through acts such as unauthorised use, reproduction or imitation of the mark.

HOW IS TRADE DRESS PROTECTED?

Trade dress often refers to the visual appearance of a product or its packaging that identifies and distinguishes it from other products in the market. Unfortunately, the Trademark Act BE 2534 (1991) does not explicitly protect the trade dress of a product.

Thairath, a local newspaper, reported that a Thai restaurant copied recipes, table designs, ordering forms and the ordering system from a Japanese restaurant. At the same time, the newspaper also cited the DIP’s responses that while the Japanese restaurant had a patent registration over a specific system, it had nothing to do with the overall appearance of the restaurant.[6]

Later, in 2019, a local tea chain store brought a case against another local tea chain store claiming that the defendant used a trade name and trademark together with an animal logo, all of which were similar to those of the plaintiff. In 2021, the Central Intellectual Property and International Court (CIPITC), which is the lower court, ruled in favour of the plaintiff. The Court reasoned that the defendant used a similar word and the animal’s name in its store name and product names, including cups bearing an animal’s head in the same position as...
that of the plaintiff. Also, the defendant was in the same business as the plaintiff. All of these
could deceive the public into believing that the defendant’s business is associated with that

To enforce trade dress rights, the owner must bring a civil action in court. In cases of
infringement, the owner is entitled to request for injunctive relief, damages and other
remedies.

**HOW ARE OPPOSITIONS HANDLED?**

In Thailand, trademark oppositions are handled by the DIP, which is responsible for the
registration of intellectual property rights in the country. If the DIP decides to allow the
trademark to be registered, the mark will be published in the Trademark Gazette. At this point,
any interested party may file an opposition to the registration of the mark within 60 days of
the publication date. The opposition must be filed in writing and must specify the grounds
for opposition.

After an opposition is filed, the DIP will review the opposition and any response filed by the
trademark applicant. Based on the evidence and arguments presented, the DIP will decide
whether the trademark should be registered. Currently, the DIP takes around two years to
render a decision.

If the DIP decides to reject the opposition and allow the trademark to be registered, the mark
will be registered and published in the Trademark Gazette. If the DIP decides to uphold the
opposition, the trademark application will be refused, and the applicant will have the right to
appeal the decision to the CIPITC.

**HOW ARE CANCELLATIONS HANDLED?**

Trademark registration may be cancelled on certain grounds, including non-use, invalidity or
cancellation for the public interest.

**Non-use Cancellation**

If a trademark has not been used in Thailand for a continuous period of three years or more,
any interested person may file a request for cancellation of the trademark registration on the
grounds of non-use. The request must be filed in writing and must provide evidence of the
trademark’s non-use. Section 63 of the Trademark Act stipulates that "if it is proved that...with
the goods which it was registered". The burden of proof rests with the plaintiff to prove the
non-use of all items registered. In other words, it is necessary to prove the non-existence of
items registered, which is extremely difficult.

The consideration of the Board of Trademarks in Thailand has been in accordance with the
Supreme Court’s judgments, based on the concept of the burden of proof in the accusatorial
system that “the person who asserts the matter must prove it”, where the precedent is held
by the Supreme Court (see Supreme Court Decision No. 7774/2540). If the plaintiff is lucky
enough to be able to prove the non-use of one item out of many goods registered, the Board
of Trademarks or the CIPITC, as the case may be, will cancel the trademark in question. In
addition, a token of use is considered use. Supreme Court Decision No. 4006/2533 ruled
that “use of the mark even for a short period of time and in relation to a small number of
products still constitutes use.”

**Invalidity Cancellation**

Thailand: Examiners’ Unique Approach to Distinctiveness
Underscores Complex Registration Process
Explore on WTR
A trademark registration may be cancelled if it is found to be invalid. Invalidity may arise if the trademark was registered in violation of the law or if it is identical or confusingly similar to a prior registered trademark. Any interested person may file a request for cancellation of a trademark registration on the grounds of invalidity.

Cancellation For Public Interest

A trademark registration may also be cancelled for public interest. This may occur if the trademark registration conflicts with public policy or if the trademark is used in a manner that is likely to mislead the public. The DIP may initiate a cancellation action on its own initiative or upon the request of any interested party.

In each case, the cancellation request must be filed in writing with the DIP. The DIP will review the request and any evidence provided and will notify the trademark owner of the request. The trademark owner will be allowed to respond to the request, and the DIP may, in theory, conduct a hearing to allow both parties to present evidence and arguments.

Based on the evidence and arguments presented, the DIP will decide whether the trademark should be cancelled. If the trademark is cancelled, the cancellation will be published in the Trademark Gazette. Currently, the DIP will take no less than two years to decide. The trademark owner will have the right to appeal the decision with the CIPITC.

WHAT ARE THE PENDENCY LEVELS FOR THE LAST 12 MONTHS?

Trademark pendency can vary depending on various factors, such as the complexity of the application, the workload of the DIP and the number of applications filed. The working environment was interrupted by the covid-19 pandemic, and applications accumulated owing to the number of applications that were filed before and during the pandemic.

The DIP has been taking steps to streamline and expedite the trademark registration process in recent years. For example, the DIP has implemented an online filing system for trademark applications, which can help to speed up the processing time. Additionally, the DIP has increased the number of examiners handling trademark applications to reduce the backlog of pending applications. However, it could take as long as two years for a straightforward application to maturely register.

Earlier in 2023, the DIP implemented a fast-track trademark registration, meaning that an application may take four months to get examined if the list of goods or services the mark relates to is not more than 10 items, and six months if the list of goods or services is not more than 50 items, provided that the application meets the following requirements:

- the application and supporting evidence as listed below is filed simultaneously online;
- the trademark or service mark – not including a combination of colour, three-dimensional or sound marks – is a letter, word or device, or combination thereof;
- the application covers only one class and not more than 10 or 50 items of goods or services;
- the applicant submits proof of the necessity for urgent use of the mark (eg, a marketing plan and a plan for using the mark); and
- the applicant submits a search result conducted from certain databases (eg, the Thai Trademark Office's online database, TMview, and the WIPO Global Brand Database).

Thailand: Examiners’ Unique Approach to Distinctiveness Underscores Complex Registration Process

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HOW TO TRANSFER OWNERSHIP OF TRADEMARK REGISTRATIONS

The transfer of ownership of a trademark registration can be accomplished by filing a request with the DIP. The process involves the following steps.

- Draft a deed of assignment: the current owner and the new owner of the trademark registration execute a deed of assignment, which is a legal document that transfers ownership of the trademark from the current owner to the new owner. The deed of assignment must specify the details of the trademark, including the trademark registration number, the goods or services for which the trademark is registered and the date of registration.

- Submit the deed of assignment to the DIP: the new owner of the trademark registration should submit the deed of assignment to the DIP, along with a request to transfer ownership of the trademark registration. The request should include details of both the current owner and the new owner, as well as the trademark registration number.

LICENSING BEST PRACTICE

A trademark licence agreement is a legal contract between the trademark owner (licensor) and the licensee, which permits the licensee to use the trademark. Consideration is not a prerequisite.

While Thailand is based on freedom of contract, for a trademark licence agreement, under the Trademark Act BE 2534 (1991) and its related subordinate rule, the trademark licence agreement should clearly specify the scope of the licence, including the specific goods or services for which the trademark can be used, the geographic area where the trademark can be used and the duration of the licence. The agreement should also include provisions on the quality control of the goods or services to ensure that they meet the standards of the trademark owner.

In addition, under the Civil and Commercial Code, an agreement made in advance exonerating a debtor from their own fraud or gross negligence is void. Also, under the Unfair Contract Terms Act BE 2540 (1997), the following terms may cause legal issues:

- exempt or restricted liability arising from breach of contract;
- allowing contract termination without reasonable grounds or without any material breach by the other party;
- allowing one party to delay or not comply with its contractual obligations without reasonable grounds; and
- allowing one party to enforce further obligations on the other party on top of those agreed to on the date of contract execution, etc.

As required by the Trademark Act BE 2534 (1991), the trademark licence agreement must be in writing and signed by both parties. The agreement must be registered and recorded with the DIP. Failure to register and record the agreement will result in the agreement being void.

WHAT ARE THE FIVE KEYS ‘NEED-TO-KNOWS’ FOR THAILAND

The following are the five key need-to-knows for trademark registration in Thailand.
• First-to-file system: Thailand operates a first-to-file system, meaning that the first person or entity to file a trademark application for a particular mark will generally have priority over subsequent applicants. Therefore, it is important to file your trademark application as soon as possible to secure protection for your mark in Thailand.

• Use of trademark: unlike some other countries, Thailand does not require the use of a trademark to register it. However, if a trademark has not been used in Thailand for three consecutive years after registration, it may be subject to cancellation.

• Trademark classes: trademarks are categorised into 45 classes based on the goods or services for which they are used. It is important to select each very specific item for your trademark application. The item “pharmaceutical preparations” in Class 5, which may be allowed elsewhere, will not be accepted in Thailand as it is considered too broad. An acceptable description of goods in this regard would be ‘pharmaceutical preparations for pain-killing’.

• Examination process: after filing a trademark application, the DIP will examine to determine whether the trademark is eligible for registration. The examination process can take an extremely long time, and the DIP may issue an office action requesting additional information or clarification. It is important to respond to the office action within the specified period to avoid abandonment of the application.

• Renewal: trademark registrations in Thailand are valid for 10 years from the date of registration and can be renewed for successive 10-year periods. It is important to renew your trademark registration in a timely manner to ensure that your mark remains protected in Thailand.

Endnotes

1 https://www.ipthailand.go.th/images/781/____1_1.pdf

2 https://deka.in.th/view-598444.html


5 https://www.krisdika.go.th/librarian/get?sysid=443287&ext=pdf

6 https://www.thairath.co.th/news/society/1151655

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8 https://www.krisdika.go.th/data/comment_deca/2533/cd_18066.htm
9. [Link to website](https://www.ipthailand.go.th/th/%E0%B8%AA%E0%B8%96%E0%B8%B4%E0%B8%97%E0%B8%95%E0%B8%B4%E0%B8%97%E0%B8%A3%E0%B8%B1%E0%B8%9E%E0%B8%A2%E0%B9%8C%E0%B8%AA%E0%B8%B4%E0%B8%99%E0%B8%97%E0%B8%B2%E0%B8%87%E0%B8%9B%E0%B8%B1%E0%B8%8D%E0%B8%8D%E0%B8%B2/category/statistictm2565.html)

10. "First_Action_Fast_Track_91264.pdf"

11. "First Action (4 months).pdf"

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Specialist Chapter: Benelux Sees Surge in Post-Pandemic Trademark Filings

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Markedly

Summary

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IN SUMMARY

This article provides an overview of all relevant aspects of Benelux trademark law as well as filing statistics over the past years. The chapter shows that the Benelux trademark field is holding strong and has seen a considerable rise in trademark filings over the period 2020–2022.

DISCUSSION POINTS

• What can be filed and what not to file
• How to enforce IP rights in the Benelux – both court and office proceedings
• Filing statistics

REFERENCED IN THIS ARTICLE

• Benelux Office for Intellectual Property (BOIP)
• Benelux Convention on Intellectual Property (BCIP)
• Paris Convention
• Dutch Domain Name Authority (SIDN)
• Belgian Center for Arbitration and Mediation (CEPANI)
• Luxembourg Domain Name Registry (Restena)
• District Court of The Hague
• Benelux Trademark and Design Association (BMM)

LEGAL FRAMEWORK

The three countries of the Benelux (the Netherlands, Belgium and Luxembourg) are not governed by separate trademark laws. Instead, Benelux trademark law is governed by the Benelux Convention on Intellectual Property, the current version of which entered into force on 1 March 2019. This replaced the Benelux Trademark Law 1971, which was the first law to provide uniform trademark protection across multiple EU member states. The convention is in line with the EU Trade Marks Directive (2015/2436) and is therefore similar in its material aspects and provision of rights.

In addition, the Benelux is a member of all major international trademark treaties and agreements, including the Paris Convention, the Agreement on Trade-Related Aspects of Intellectual Property Rights, the Madrid Agreement and Protocol, the Nice Agreement and the Locarno Agreement. The EU IP Enforcement Directive (2004/48), which provides specific remedies for IP rights infringement, has been implemented in the national laws of the Benelux countries.

UNREGISTERED MARKS

The Benelux Convention on Intellectual Property does not provide for the protection of unregistered trademarks. The only exceptions to this are well-known marks as prescribed
by the Paris Convention. When no registration exists, no trademark rights can be invoked. Timely registration is therefore essential.

**REGISTERED MARKS**

**Who Can Apply?**

As a rule, anyone can apply for trademark protection in the Benelux. However, special requirements exist with respect to ownership of collective marks and certification marks. The representative's place of residence or registered office should be in the European Economic Area.

**Formal Requirements**

No power of attorney is required to file for trademark protection in the Benelux (or the European Union). This is required in the case of a request for withdrawal or limitation of a trademark, however. A priority claim must be substantiated, but this can be done with a scan or photocopy of the priority document.

**What Can And Cannot Be Protected?**

The legal definition of a ‘trademark’ in the Benelux is quite broad and the requirement of graphical representation has been abolished. Benelux legislation and practice regarding the admissibility of trademarks are largely in line with European practice. Despite changes to the law on 1 June 2018 and 1 March 2019, non-traditional trademarks, especially three-dimensional trademarks, are generally difficult to obtain.

**Costs**

The Benelux has a fee-per-class system. As of January 2022, the official fees are:

- €244 for an application in one class;
- €27 for the second class; and
- €81 for each additional class.

There are no official publication or registration fees. Renewals are calculated in a similar manner:

- €263 for the first class;
- €29 for the second class; and
- €87 for the third and subsequent classes.

Additional fees are due for expedited applications (ie, to obtain registration within 48 hours) as well as collective and certification trademark applications.

**PROCEDEURES**

**Examination Procedure**

The Benelux Office for Intellectual Property (BOIP) maintains the Benelux Trademarks Register. The registration procedure is fairly efficient and is completed almost entirely electronically. An application is checked first on formal grounds and then on absolute grounds. No check on relative grounds is conducted. After publication, an opposition period lasting two months commences. This term is not extendible.
If there are no objections, the application proceeds to registration after approximately four months. If an Office Action or refusal is issued, the applicant is granted an initial term of one month within which to overcome such objections. This may be extended to a maximum of six months. If an expedited registration is requested (following payment of the above-mentioned additional fee), an accelerated check on formalities is conducted. If no objections arise, the mark is registered within a few working days. With this type of application, the check on absolute grounds and publication takes place after registration, implying that the registration may eventually be cancelled.

**Opposition**

An opposition can be lodged based on a prior identical or similar trademark application or registration for identical or similar goods. Opposition may also be filed based on a mark with a reputation against a mark applied to dissimilar goods, provided that the younger mark takes unfair advantage of, or is detrimental to, the distinctive character or reputation of the earlier mark. In line with article 6bis of the Paris Convention, an opposition may also be filed based on a mark being non-registered but well known. Recently the grounds for opposition have been extended to unauthorised filings by agents and protected designations of origin and geographical indications.

The opposition grounds do not need to be substantiated within the opposition form, meaning that it is possible merely to file a formal opposition. An opposition must be filed before the end of the two-month publication period, or the next working day if the term ends on a day that is not a working day.

Opposition fees are €1,045. This is a relatively large amount, but only 40 per cent is due when the opposition is filed. The remaining 60 per cent is only payable if a case is not settled within the regulatory cooling-off period.

The opposition procedure for the BOIP is similar to that for the EU Intellectual Property Office. The statutory two-month cooling-off period begins when the opposition is deemed admissible. This term can be extended with the consent of both parties for four month-long terms until an amicable settlement has been reached. If no extension is applied for, the opponent must file its arguments and further evidence within two months. The defendant or applicant is then granted a further two-month period in which to file counterarguments and request proof of use (where applicable). When both parties have filed arguments (and, where applicable, have exchanged proof of use and comments), the BOIP will issue a decision.

The opposition proceedings are conducted in the language in which the application was filed (ie, Dutch, French or English). This standard language can be changed, but only with the consent of the trademark applicant. If the application was filed in English, however, the language of the proceedings may be chosen by the opponent.

If the opposition is awarded or rejected in full, the opposition fees of €1,045 must be paid by the losing party. The cost decision is an enforceable judgment.

**Appeal**

Appeals against BOIP decisions must be brought before the second chamber of the Benelux Court of Justice. The appeal deadline is two months after the notification of the final BOIP decision.

**Registration Term**
Registrations are valid for 10 years from the application date. The use requirement begins five years after the date of registration.

**Removal From The Register**

Any interested party, including the public prosecutor, may invoke the invalidity of the registration if the mark:

- is a sign that is not distinctive;
- is misleading;
- has become the usual denomination for the goods or services involved;
- was filed in bad faith;
- is contrary to public order or morals;
- conflicts with article 6ter of the Paris Convention; or
- conflicts with international or EU legislation providing protection for geographical indicators on wines, traditional specialities or plant species.

In addition, invalidity on relative grounds may be requested by any interested party as long as the older trademark rights owner is part of the procedure. This applies if the trademark:

- conflicts with a geographical indication or constitutes an agent mark;
- is similar or identical to a prior trademark registered for similar or identical goods or services; or
- is similar to a trademark with a reputation in the Benelux for dissimilar goods or services, or is similar to a well-known trademark (in the sense of article 6bis of the Paris Convention).

Finally, revocation may be requested by any interested party if the mark has not been put to genuine use within five years of registration. Use by a licensee (and indeed any genuine use with prior authorisation from the mark owner) is sufficient to maintain rights in a Benelux mark.

**Removal From The Register**

Any interested person can apply to the BOIP for invalidity (on the basis of absolute grounds) or revocation (on the basis of a prior right). Invalidity based on relative grounds can be filed by prior trademark owners or licensees. Proceedings with the BOIP are generally swifter and less expensive than court proceedings. Moreover, they generally follow the same structure as Benelux opposition proceedings and EU cancellation proceedings.

**Search Option**

The BOIP does not carry out an examination on relative grounds during the registration procedure. However, it does provide a useful and comprehensive search tool (also available in English), which can be accessed at [www.boip.int/en/trademarks-register](http://www.boip.int/en/trademarks-register). If this search tool is not sufficient, the TMview trademark search engine is also useful (www.tmdn.org/tmview/welcome).

**ENFORCEMENT**
Registered trademark rights in the Benelux are efficiently enforced. While there is no single specialist court for general trademark disputes, most district courts and courts of appeal have judges who focus on IP matters. The District Court of The Hague has highly specialised judges thanks to its exclusive jurisdiction over European trademark and design matters.

Most infringement actions will relate to the use of an identical or similar sign for identical or similar products or services. An action can also be brought for an infringement of a well-known trademark. The remedies available can first consist of an injunction. After this, a recall of infringing products can be demanded, as well as the surrender or destruction of the infringing products. The infringer may also be required to provide all the relevant information to enable the plaintiff to calculate the damages caused by the infringement. This information may include the number of infringing products bought, sold and still in stock, along with the profits made. In addition, the infringer can be ordered to provide the contact details of the supplier of the infringing goods. In both summary and main proceedings, a claim may be brought for the legal costs incurred to end the infringement. This works both ways. If the defendant prevails, he or she may also request compensation for their legal costs. It is not possible to claim punitive damages in the Benelux.

In the case of a trademark infringement, a rights holder may bring a claim for the surrender of profits made by the infringer from the sale of the infringing products. A claim for compensation of damages, however, can only be brought in proceedings on the merits.

Interim relief is available. Under certain circumstances (particularly a threat of irreparable damage to the trademark owner), ex parte injunctions are also available. An application for an ex parte injunction is granted only if the plaintiff can make a prima facie case of infringement. Additional claims – such as a request for compensation of damages – cannot be granted in ex parte cases. As a rule, interim relief can be obtained provided that the infringement persists. The trademark owner must continue to pursue proceedings on the merits so that an interim injunction retains its effect.

**Acquiescence**

The holder of a prior trademark that has acquiesced for a period of five successive years in the use of a registered later trademark, while being aware of such use, will no longer be entitled to prohibit the use of the later trademark (article 2.30 of the Benelux Convention on Intellectual Property). This rule does not apply when the younger mark was filed in bad faith.

The timeframe for the resolution of an enforcement action will depend on the type of remedy sought. If the case is sufficiently urgent, ex parte injunctions and interim relief can be obtained almost immediately. As a rule, interim relief cases will be decided within approximately 14 days. Cases on the merits are commonly decided in six to 12 months.

Finally, although trademark infringement is mentioned in the Dutch Penal Code, public prosecutors have not shown a great interest in pursuing common IP cases in the Netherlands. An exception may be IP infringement that is related to large criminal cases.

**OWNERSHIP CHANGES AND RIGHTS TRANSFERS**

Assignment is possible without the goodwill of the business. However, it must be made in writing. The recording of assignments, licences and liens with the BOIP is efficient and straightforward. A scan or photocopy of the underlying document is usually sufficient. To record a licence, lien or limitation, an executed power of attorney of all parties concerned is
required. Again, a scan or photocopy of the document is usually enough. No notarisation or legalisation is required.

RELATED RIGHTS
In the case of service marks that also constitute the company name, it is likely that trade name rights apply. These rights are governed by the respective Dutch, Belgian and Luxembourg trade name laws. Under certain circumstances, device marks, or combined word or device marks, may also be protected under the copyright laws of the Benelux countries. This is because the scope of protection under such laws is not limited to artistic works and the threshold for copyright protection in the Benelux is considered to be fairly low.

Design rights are governed by the design chapters in the Benelux Convention on Intellectual Property, as well as European legislation. When it comes to unfair competition, various national laws against unfair competition come into play. In the Netherlands, for example, slavish imitation may be considered a form of tort. As a rule, however, a claim of unfair competition will require additional circumstances. As such, slavish imitation is commonly claimed only in conjunction with a claim of infringement of other IP rights.

ONLINE ISSUES
On the basis of registered trademark rights, among other things, the trademark owner can object to unauthorised use in domain names, websites, hyperlinks, online ads and metatags. Benelux legislation provides no specific provisions regarding online IP matters. Apart from dispute resolution policy options, the courts have exclusive jurisdiction over these proceedings.

The '.nl' Dispute Regulation Policy (2008, amended in 2010) provides the legal framework for taking action against a conflicting '.nl' domain name. In this instance the WIPO Arbitration and Mediation Centre is the administrative body. It may order the transfer of a domain name when:

- it is identical or confusingly similar to a trademark or trade name protected under Dutch law in which the complainant has rights;
- it is identical or confusingly similar to a personal name registered in the General Municipal Register in the Netherlands, or the name of a Dutch public legal entity, association or foundation registered in the Netherlands under which the complainant undertakes public activities on a permanent basis;
- the registrant has no rights to or legitimate interests in the domain name; or
- the domain name has been registered or is being used in bad faith.

The WIPO arbitration system works very efficiently and Dutch arbiters are considered experts in their field. As a result, UDRP proceedings will generally form a cost-effective solution for '.nl' domain name conflicts. The legal situation in Belgium is comparable. Alongside court proceedings, it is possible to initiate alternative dispute resolution proceedings at the Belgian Center for Arbitration and Mediation (CEPANI). In Luxembourg, however, legal proceedings are necessary in the event of a dispute regarding a .lu domain name. The range of action available to the .lu registry, Restena, is limited to enforcing court decisions.

STATISTICS

Specialist Chapter: Benelux Sees Surge in Post-Pandemic Trademark Filings

Explore on WTR
Trademark and design filings in the Benelux remained strong throughout the recent pandemic years. In fact, the number of filings with the BOIP rose between 2020 and 2021 to 24,000, an increase of approximately 14 per cent. Similar figures for 2022 show a drop back down to pre-pandemic levels. The only IP right that does not follow this pattern is the Benelux design right, which has been almost fully supplanted by the European Design Registration. Interestingly, the number of provisional trademark refusals made by the BOIP has risen between 2020 and 2022, from 3.6 per cent to 5.7 per cent. It will be interesting to see whether this trend will continue, or whether it will also drop to pre-pandemic levels.

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Germany: Trademark Procedures Before the DPMA

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Summary
IN SUMMARY
This article outlines trademark procedures in Germany before the German Patent and Trademark Office (DPMA), including application and registration as well as opposition and cancellation proceedings. Requirements for proof of use are also discussed. The article also describes enforcement against infringements, changes of ownership, licensing, online domain disputes, and additional protections under German copyright and trade practices.

DISCUSSION POINTS
- Requirements and criteria for registration of trademarks, as well as reasons for non-eligibility
- Overview of the application, DPMA examination, appeals, oppositions, publication and registration
- Use requirements and non-use revocation
- Enforcement and remedies

REFERENCED IN THIS ARTICLE
- German Patent and Trademark Office (DPMA)
- The Federal Patent Court (BpatG)
- Federal Court of Justice (BGH)
- Federal Act of Criminal Procedure (StPO)
- Act on the Remuneration of Lawyers (RVG)
- German Unfair Practices Act (UWG)
- DENIC eG
- German Customs Office
- World Intellectual Property Organization
- Paris Convention
- Act on the Protection of Trade Marks and other Signs 1994

5 KEY NEED TO KNOWS
1. DPMA examines absolute grounds for refusal, particularly lack of distinctiveness. There is no refusal ex officio based on older conflicting trademarks.
2. Germany is a first-to-file country.
3. Three-month period after publication of registration in which to file an opposition, based on older rights.
4. Trademarks must be put to genuine use within five years, or they can be subject to revocation, but only on request and not ex officio.
5. Commercial designations are protected against newer identical or confusingly similar trade designations and trademarks once they are first used in Germany (without registration).

LEGAL FRAMEWORK

National Law

German trademarks, EU trademarks and German trademarks based on international registrations, names and non-registered trade designations are all enforceable in Germany. German trademarks are governed by the Act on the Protection of Trade Marks and other Signs 1994 (Trademark Act), which implements the EU Trade Marks Directive (2015/2436).

EU trademarks are governed by the EU Regulation (2017/1001), the EU Commission Delegated Regulation (2018/625) and the EU Commission Implementing Regulation (2018/626). International registrations that extend to Germany are governed by the Madrid Protocol, the Madrid Agreement and the Trademark Act. Names and non-registered commercial designations are governed by the Civil Code and the Trademark Act.

International Treaties

Germany has also acceded to several multilateral and bilateral international treaties. These include the Paris Convention for the Protection of Industrial Property, the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, and the Agreement on Trade-Related Aspects of Intellectual Property Rights.

Unregistered Marks

Commercial designations are protected against newer identical or confusingly similar trade designations and trademarks once they are first used in Germany. However, details of this protection can be complex. The protection may be locally restricted, for example, or there may be coexistence in the case of natural persons with the same name.

Unregistered trademarks and other commercial designations (e.g., business symbols) are protected against newer identical or confusingly similar trademarks and commercial designations only from the date on which they acquire a sufficient degree of public recognition in the specific German market. The required minimum threshold is determined on a case-by-case basis. If the sign is distinctive, a degree of recognition of between 20 per cent and 25 per cent of relevant consumers is sufficient to pass the threshold test. However, if the sign is descriptive or not distinctive for other reasons, it must also have acquired distinctiveness through its use in Germany. The recognition threshold for this is set at 50 per cent. Unregistered trademarks used only outside Germany to the required substantial degree may be afforded protection in accordance with article 6bis of the Paris Convention only if the mark is well known. This will usually require between 60 per cent and 70 per cent recognition. These requirements must be proved by opinion polls conducted in accordance with requirements established by precedent.

Registered Marks

Any natural or legal person may apply for and own a trademark. While representation is not necessary before the German Patent and Trademark Office (DPMA) or the Federal Patent Court (BpatG) – which has jurisdiction over certain trademark matters (although
not infringement cases) – applicants or owners with no domicile, seat or commercial establishment in Germany must appoint a German representative. German attorneys at law and German patent attorneys must be duly empowered, although no power of attorney need be submitted to the DPMA or the Patent Court. Other representatives must submit a power of attorney in writing (either in German, or the original with a German translation). No notarisation is required. However, foreign applicants and owners may need to comply with their local formal requirements.

Registration may be applied for a mark that consists of any sign capable of being represented clearly and in a definitively determinable way. This includes in particular words, numbers, graphical devices and three-dimensional shapes. The represented sign must be capable of distinguishing the goods or services of one undertaking from those of other undertakings in a legal manner.

Signs are not eligible for registration if, among other things, they:

- are devoid of any distinctive character;
- are descriptive;
- are used by competitors to describe their goods and services;
- consist exclusively of the shape which results from the nature of the goods as such, are necessary to obtain a technical result or give substantial value to the goods;
- are contrary to public policy or accepted principles of morality;
- could potentially deceive the public – for example, in regard to the nature, quality or geographical origin of the goods or services;
- consist of legally protected signs and have not been authorised by the competent authorities; or
- have been applied for in bad faith.

However, the grounds mentioned under the first three of these points may be overcome by acquiring around 50 per cent distinctiveness.

**PROCEDURES**

The DPMA will examine the trademark application with regard to formalities (eg, correct classification of the goods or services and full payment of the application fees) and absolute grounds for refusal. It does not conduct an *ex officio* search for older conflicting trademarks. Any deficiency will be raised by the DPMA in an official action that grants the applicant at least one month in which to reply. These periods are extendable on request. This decision may in turn be appealed within one month of notification, either by an administrative appeal to the DPMA or by a direct full appeal to the Patent Court, depending on the status of the person at the DPMA who first issued the decision. A decision of a DPMA appeal division may be appealed to the Patent Court. On rare occasions, decisions of this court may be appealed to the Federal Court (BGH). Publication and registration of a trademark occur when the DPMA has issued the allowance. Without any official action, this is likely to be completed between three and six months from the application, although the actual time can vary greatly. The trademark has effect from the date on which it is recorded in the Trademark Register.

An opposition may be filed three months after a trademark registration is published, provided that the corresponding fees are also paid. The rights on which the opposition is based, and
the scope of that opposition, must be clearly indicated. An additional fee must be paid for each right to which the newer mark is opposed. An opposition may be based on older German trademarks and EU trademarks, international trademarks in force in Germany and trade designations which are protected in Germany. It is also possible to base an opposition on older trademark applications. If and to the extent that an opposition succeeds, the opposed trademark will be expunged from the register once the ruling is final and binding.

Oppositions can also be based on protected geographical indications, and protected designations of origin. Generally, opposition proceedings are documentary proceedings with no oral hearing. A typical case will involve one or two rounds of short submissions. Currently opposition proceedings before the DPMA can take at least a year for the first decision to be reached. An admissible opposition that is based on older rights will succeed if the newer mark or the goods and services claimed in its specification are identical or confusingly similar to the older right on which the opposition is based. This includes a danger of association with the older mark. In general, the scope of protection afforded to older well-known, famous or notorious trademarks will be broader. Finally, an opposition can also be based on the grounds that the opposed trademark was registered in bad faith, particularly in the name of an agent or other representative of the (normally foreign) trademark owner.

To support settlement negotiations between the parties to the proceedings, the DPMA may grant a cooling off period of at least two months within which to try to reach an amicable settlement. This period may be extended by a further joint request by the two parties.

The owner of the contested application may defend by requesting proof of use of the opposing trademark. The DPMA requires proof of use rather than simply the putting forward of a plausible case. However, in place of full proof, affirmation in lieu of an oath is still permitted pursuant to section 43(1) of the Trademark Act. The five-year period for which proof of use of the opposing trademark must be furnished will begin five years before the filing date or priority date of the challenged trademark.

The grace period for using the trademark on which the opposition is based (the period during which the use of the trademark does not have to be proven) begins essentially on the date on which the opposition period expires. In case an opposition is filed, the commencement date of the grace period is the date on which the final decision of opposition proceedings becomes final and binding or the date of withdrawal of all oppositions. For trademarks whose application was filed with the DPMA after 14 January 2019 the beginning and end of the grace period for use is entered in the Trademark Register (section 25 (20a) of the Trademark Ordinance). An opposition will also be rejected if the younger opposed trademark was filed during the period during which the older trademark was not in genuine use. This applies even if the older trademark was subsequently put to genuine use by the owner and the lack of use cured vis-à-vis other third parties.

A trademark that is not put to genuine use within five years of expiration of the opposition period or the final decision in opposition proceedings is deemed invalid. However, if maintenance fees are paid, the mark will continue to exist on the public records, because no declaration or evidence of use is required. After the five-year grace period for commencing genuine use, any third party may file a request for revocation at any time. If the owner does not object to this within two months, the mark will be revoked. In case of an opposition, the third party is informed and may then proceed with revocation proceedings before the DPMA by paying another official fee within a month of notification or file a revocation action based on non-use with the German regional court that has special jurisdiction in the subject.
If the owner can prove that it has commenced genuine use before the revocation request is filed, the trademark will not be revoked. This is the case even if the trademark had not been used for more than five years. However, use that commences less than three months before the cancellation request after the owner became aware of its potential filing will not be considered.

Any party may file a request for revocation, and the trademark may be cancelled, if:

- there are absolute grounds for refusing trademark protection (usually overlooked by the DPMA during examination), if:
  - the absolute ground of refusal still exists at the time that the decision on the application for cancellation is made; and
  - cancellation is requested within 10 years of the registration date;
- the trademark has become the common name in the trade for the goods or services in respect of which it is registered as a consequence of acts or the inactivity of the owner; or
- use made of the mark is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

In respect to the enumerated number of statutory absolute grounds, a trademark may be cancelled *ex officio* by the DPMA if the procedure is commenced during the first two years after the registration date and the registration manifestly contravenes a finite number of provisions. These grounds may apply only to some of the goods and services for which the trademark is registered. In this case the cancellation will concern only that part of the trademark.

As an alternative to opposition proceedings, especially after the expiry of the non-extendable three-month opposition period, the owner of older rights may file at any time a request for cancellation based on its older trademark or trade designation standing in force in Germany (ie, relative grounds). However, even if the relative grounds are proven to exist, the registration may not be cancelled if the owner of the older mark has knowingly tolerated the use of the newer mark for the goods or services in respect of which it is registered for a period of five consecutive years – unless the newer mark was obtained in bad faith or the owner of the older right has consented to registration and use of the younger mark. Furthermore, cancellation is not possible if the older mark could have been cancelled on the date of publication of registration of the younger trademark.

Cancellation requests based on original or subsequent absolute grounds for refusal, lack of standing to own a trademark, lack of genuine use or because of the existence of earlier rights (only by the owner of such rights) may be filed with the DPMA. An action for cancellation for revocation or because of the existence of earlier rights may also be commenced before the competent higher regional court.

The trademark may be renewed 10 years after the application filing for some or all of the goods and services for which it is registered by payment of the applicable maintenance fee. All renewals and deletions will be recorded in the register, which may be accessed online at www.register.dpma.de. Any owner may at any time relinquish their trademark completely or regarding certain goods or services by filing a corresponding written request with the DPMA.
ENFORCEMENT

Civil infringement proceedings may be based on a conflict with older rights. Typically, infringement claims will first be asserted against the infringer in the form of a letter that asks them to cease and desist, and to pay a contractual penalty in case of contravention. The latter requirement is a unique feature of the German legal system and is intended to disperse the danger of repeated infringement. Unless the infringer gives such an undertaking, the action requesting an order to cease and desist will remain admissible.

The rights holder may seek an interlocutory injunction from the competent regional higher court if the matter is urgent, which is legally presumed. (The competence of specific chambers is concentrated on the state level in a few courts in each state.) The petitioner must request injunctive relief soon after learning about the infringement. This period is not legally defined, although it is generally agreed to be within one month. Some courts grant a period of up to two months, but longer periods are granted only under special circumstances. Unless the infringer acknowledges the court order as final and binding, the petitioner will have to institute normal infringement proceedings.

The following remedies are available in civil infringement proceedings:

- claims to cease and desist, which do not depend on the infringement being culpable;
- claims for actual damages, which may be demonstrated via three alternative methods:
  - licence analogy;
  - actual damages suffered by the rights holder; and
  - profits made by the infringer which are attributable to the infringement, or unjust enrichment;
- claims for destruction and recall, or permanent removal from sale, unless this would be disproportionate – in order to secure the enforcement of such claims, under certain circumstances a sequestration can be ordered by interlocutory injunction;
- claims for information concerning the origin and sales channels of unlawfully marked goods or services (in special cases, these claims may also exist against certain third parties);
- claims that the infringer submit or allow access to banking, financial or commercial documents where these are required for the assertion of the compensation claim, unless this would be disproportionate – the court has the power to guarantee confidentiality protection;
- information claims, which under certain circumstances may be granted through an *ex parte* interlocutory injunction; and
- claims for the publication of the final judgment.

Reasonable attorneys’ fees and court fees are awarded, depending on the extent to which a party prevails. Court and attorney fees are assessed on the basis of fee statutes that provide for lump sums and cap recoverable amounts. German attorneys at law are not permitted to charge fees below such amounts.
Wilful trademark infringement is a crime and may be punished. The local public prosecutor's office is empowered by the Federal Act of Criminal Procedure (StPO) to commence proceedings on its own initiative or upon receiving a complaint. The abilities of the rights holder to influence the investigation, including the speed at which it is conducted, are limited.

Both the seizure and eventual destruction of imported counterfeit goods in Germany are possible under German and EU regulations. Detailed information regarding this is available from the German Customs Office at www.zoll.englishlish_version/d0_protection_property/a0_trademark/index.html.

OWNERSHIP CHANGES AND RIGHTS TRANSFERS

A change of ownership with regard to a German trademark takes place outside the register either through the operation of law (eg, legal succession) or on the basis of an agreement (eg, assignment). While it is not mandatory to record such a change in the register, this is highly recommended in order to ensure that rights can be enforced without delay. The validity and the form of such a change of ownership depend on the applicable law. There are no formal requirements with regard to a registered trademark. A German representative who is a German attorney at law or patent attorney may request the recording of a change of ownership in the register without submitting a copy or original of the underlying legal instrument. In all other cases documentary proof must be submitted.

Trademark licences are also granted outside the register. A licensee may themselves start infringement proceedings only with the consent of the licensor/owner of the licensed right. There is no statutory requirement to register a licence. Trademark licences are entered in the Register at the request of the proprietor of the trademark (licensor) or of the licensee if the respective other party consents. The entry contains information about the licensee, the type of licence and any restrictions. A fee is charged for the registration, amendment and cancellation of a licence in the Register. It is also possible to have licences for trademarks for which protection has been extended to Germany recorded in the International Register.

Commercial designations and names are regarded as being inextricably associated with the relevant business operation or company and may not be transferred without the business operation as such or licensed to another company. The related legal issues are complex.

RELATED RIGHTS

A trademark that is an individual and sufficiently original creative work may also be protected by copyright. This applies not only to device marks, but on rare occasions may also include slogans that meet a high standard of originality. Furthermore, there may be a nexus between trademark infringement and the German Unfair Trade Practices Act (UWG). This legal area is mapped out by many precedents and is highly complex. To a certain extent, enforcement resembles trademark infringement matters, but claims differ substantially.

ONLINE ISSUES

The country code top-level domain `.de` is managed by DENIC eG. A dispute concerning a `.de` domain name may be registered with DENIC in order to prevent its transfer. Disputes must be resolved amicably or, if this is not possible, in court. A substantial body of trademark case law applies equally to cyberspace as it does to the offline world. For example, a domain name that is similar or identical to a registered trademark also requires use for identical or similar goods or services in order for a trademark-based claim to succeed. Cases of famous marks or bad-faith domain name registration may be different. Bearing this in mind, precedents
have established that metatags can be infringing. AdWords usage, on the other hand, will not normally constitute infringement unless the displayed advertisement contains something that is infringing.
Israel: New Practice Paper Indicates Increasingly Strict Stance Toward Descriptive and Non-Distinctive Marks

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Summary
IN SUMMARY

The legal framework of the Israeli trademark registration process, its prosecution and enforcement. In the past several years, Israel has become extremely strict in its examination practice, specifically regarding non-distinctive marks. Just recently, a new Practice Paper has been circulated determining the distinctiveness of word marks and design marks. Applicants should become aware of this recent stance.

DISCUSSION POINTS

• Scope of protection of registered trademarks and unregistered mark
• Trademark registration procedure, maintenance and renewal
• Trademark enforcement

REFERENCED IN THIS ARTICLE

• The Trademarks Ordinance (new version – 5732/1972)
• The Trademarks Regulations 1940
• The Trademark Regulations (Implementation of the Madrid Protocol) (5767/2007)
• Work instructions for determining distinctive marks – Practice Paper (2023)
• The Unjust Enrichment Law (5739/1979)
• The Commercial Torts Law (5759/1999)
• The Consumer Protection Law (5741/1981)

LEGAL FRAMEWORK

Relevant national laws include:

• the Trademarks Ordinance (new version – 5732/1972);
• the Trademarks Regulations 1940;
• the Trademarks Order (Protection of Industrial Property) 1934;
• the Merchandise Marks Ordinance 1929, as amended;
• the Merchandise Marks Regulations 1935;
• the Appellations of Origin (Geographical Indications) (Protection) Law (5725/1965);
• the Appellations of Origin (Procedure of Registration of Appellations of Origin Originating in a Foreign Country) Regulations (5727/1967);
• the Appellations of Origin (Procedure before Appeal Committee) Regulations (5727/1966);
• the Symbols Protection Act (5735/1974);
• the Trademark Regulations (Implementation of the Madrid Protocol) (5767/2007);
• the Unjust Enrichment Law (5739/1979);
• the Commercial Torts Law (5759/1999); and
• the Consumer Protection Law (5741/1981).

Israel has signed the following international treaties:
• the Paris Convention for the Protection of Industrial Property (1883), Stockholm (1967);
• the Agreement on Trade-Related Aspects of Intellectual Property Rights;
• the Nice Agreement on the International Classification of Goods and Services (1957), Stockholm (1967);
• the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (1958), Stockholm (1973); and
• the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.

UNREGISTERED MARKS
While the Trademark Ordinance predominantly provides protection for registered trademarks, it also protects unregistered well-known trademarks.

Unregistered marks that are not considered well known may be protected under:
• the Commercial Wrongs Law (5759/1999), incorporating the tort of passing off;
• the Consumer Protection Law (5741/1981), according to which a lawsuit may be initiated against a third party using the mark in a manner that deceives the consumer public; and
• the Law of Unjust Enrichment (5741/1981), according to which unfair competition and unfair use of one's goodwill in a mark is prohibited.

According to Israeli law, there is no specific use requirement for establishing the mentioned rights. Each case is judged on its own merits, and the duration, extent, nature of use and nature of the mark are all taken into consideration to determine eligibility for protection. Unregistered rights may also be protected under different laws, including the Unjust Enrichment Law, the Commercial Torts Law and the Consumer Protection Law.

REGISTERED MARKS
Any person or legal entity may obtain protection for a mark. No power of attorney is required before filing, but one must be submitted to the Israeli Trademark Office (ITO) at a later stage. No notarisation or legalisation is required.

Scope Of Protection
Marks that are usually eligible for registration include those that are fanciful, arbitrary or distinctive, or that have acquired distinctiveness.

The following marks are not eligible for registration:
•
a mark referring to a connection with the president of Israel or his or her household, or to presidential patronage, or a mark from which a connection or patronage might be inferred;

• flags and emblems of the state, its institutions, foreign states or international organisations, and any mark resembling any of these;

• public armorial bearings, official signs or seals used by any state and signs resembling any of these, and any sign from which it might be inferred that the owner enjoys the patronage of, or supplies goods or renders services to, a head of state or government, unless it can be proved that the rights holder is entitled to use it;

• a mark in which any of the following words appear: ‘patent’, ‘patented’, ‘by royal letters patent’, ‘registered’, ‘registered design’, ‘copyright’, ‘to counterfeit this is forgery’ or words to that effect;

• a mark that is or may be injurious to public order or morality;

• a mark that is likely to deceive the public, contains a false indication of origin or encourages unfair trade competition;

• a mark containing a geographical indication that may be misleading as to the real geographical area from which the goods originated;

• a mark containing a geographical indication that is literally correct, but that contains a false representation to the effect that the goods originated in a different area;

• a mark identical or similar to emblems of exclusively religious significance;

• a mark on which the representation of a person appears, unless the consent of that person has been obtained (in the case of representation of a deceased person, the consent of his or her successors is required unless reasonable grounds exist for not obtaining it);

• a mark identical to one belonging to a different owner that is already registered in respect of the same goods or description of goods, or so nearly resembling such a mark as to cause likely confusion;

• a mark consisting of numerals, letters or words that are in common use in trade to distinguish or describe goods or classes of goods, or that bear direct reference to their character or quality, unless the mark has a distinctive character;

• a mark whose ordinary significance is geographical or a surname, unless represented in a special manner or unless having a distinctive character;

• a mark identifying wines or spirits that contains a geographical indication, if the wine or spirit did not originate in that geographical area;

• a mark identical or misleadingly similar to a well-known trademark, even if the mark is not registered with respect to goods for which the mark is well known or with respect to goods of the same description;

• a mark identical or similar to a well-known registered trademark, even with respect to unrelated goods or services, if the mark sought to be registered might indicate a connection between the goods with respect to which the mark is sought and the registered owner of the trademark, and the registered owner of the trademark might be harmed as a result of using the mark sought; and
• a mark identical to, resembling or containing the name or business name of another person or entity, if the mark is likely to deceive the public or to cause unfair competition.

PROCEDURES

Filing And Examination Proceedings

Multi-class trademark applications are available in Israel. The mark is examined several months after filing. Proceedings may be accelerated under certain conditions. The examination is conducted based on absolute as well as relative grounds. With respect to absolute grounds, it should be noted that in recent years the ILTMO has become significantly strict with its examination practice in relation to descriptive and non-distinctive marks.

Indeed, in the past year a new Practice Paper has been circulated by the ILTMO, according to which descriptive or non-distinctive word elements appearing in basic or standard typeface, lettering or handwritten style typefaces are not registrable. Where standard typefaces incorporate elements of graphic design as part of the lettering, those elements need to have sufficient impact on the mark as a whole to render it distinctive. When these elements are sufficient to distract the consumer’s attention from the descriptive meaning of the word element or are likely to create a lasting impression of the mark, the mark is registrable. The mere ‘addition’ of a single colour to a descriptive/non-distinctive word element, either to the letters themselves or as a background, is not sufficient to render the mark distinctive. Use of colors is common in trade and would not be seen as an indication of origin. However, it is possible that an unusual and memorable arrangement of colors could render a mark distinctive.

With respect to the figurative elements in the mark, descriptive or non-distinctive verbal elements combined with simple geometric shapes are unlikely to be acceptable, in particular when these shapes are used as a frame or border. On the other hand, geometric shapes can add distinctiveness to a sign when their presentation, configuration or combination with other elements creates a global impression which is sufficiently distinctive.

A figurative element is considered to be descriptive and/or devoid of distinctive character whenever:

• it is a mere depiction of the goods and services;
• it consists of a symbolic or stylised portrayal of the goods and services that does not depart significantly from their common representation;
• and/or it is common in the trade.

A figurative element which does not represent the goods and services but has a direct link to the characteristics of the goods and services will not render the mark distinctive, unless it is sufficiently stylised.

With respect to both the word and figurative elements in the mark, principally, a combination of figurative elements and word elements, which if considered individually are devoid of distinctive character, does not give rise to a distinctive mark. That said, a combination of such elements when considered as a whole could be perceived as an indication of origin due to the presentation and composition of the sign. This will be the case when the combination results in a sufficiently distinctive mark.
in an overall impression which is sufficiently far removed from the descriptive/non-distinctive message conveyed by the word element.

A unique procedure in Israel relates to a refusal based on the existence of a corresponding pending application (inter partes proceedings). If such a refusal is issued, the parties may resolve the conflict by reaching a settlement approved by the registrar. Otherwise, the registrar will issue a decision based on three criteria:

- the applicants’ good faith in choosing the trademark;
- the extent of use of the respective marks; and
- the filing dates of the applications.

According to local practice, and because Israel belongs to those common law countries where trademark rights may commonly be acquired by use, more emphasis is given to first use and to volume of use than to the date of filing.

A response to the examiner’s objection must be filed within three months. If no response is submitted by this deadline or no extension of time is requested, the ITO will ultimately close the file. Extensions are available up to eight months from the date on which the response should have been filed, while the applicant is required to finalise the examination within two years of the first office action.

Once accepted, the mark will be published in the Trademarks Gazette.

Opposition

Upon publication, third parties have three months to oppose the registration. If no opposition is filed, the mark will proceed to registration. The opposition period cannot be extended.

Once the opposition is filed, the applicant has two months to respond by filing a counterstatement. Two months thereafter, the opponent must file their evidence in support of the opposition. Subsequently, the applicant has two months to file their counterevidence and the opponent may then file evidence in response. The evidence is submitted in the form of affidavits. An oral hearing is then scheduled before the ITO (unless the parties reach a procedural agreement to waive cross-examinations). The parties then proceed to submit their oral or (usually) written summations and summations in reply. A decision will be issued thereafter. Such a decision is final and binding, unless it is appealed to the relevant district court.

Registration

If no opposition is filed within the opposition period or if an opposition has been dismissed, the mark proceeds to registration.

Renewal

Registered trademarks are valid for 10 years from the application date.

Removal From Register

Any person may file an invalidation action to remove or amend a trademark from the register on the grounds that it is not eligible for registration. Such an application should be filed within five years of the registration date. However, if an application is filed in bad faith, there is no five-year limit.
A registered mark may become vulnerable to non-use cancellation action three years after its registration date. A cancellation action against a registered mark may be initiated by any third party on the grounds that there was no good-faith intention to use the trademark in connection with the goods for which it was registered, and that there has been no good-faith use of the trademark during the three years preceding the application for cancellation.

Cancellation and invalidation actions should usually be submitted to the registrar at first instance. The registrar’s decision may then be appealed to the relevant district court at second instance. However, some actions may be submitted to the first instance court.

**Searches**

Official trademark searches are conducted for any identical or confusingly similar marks, word marks and device marks for as many classes as requested.

**ENFORCEMENT**

**Civil Proceedings**

A request for interim remedies is one of the most valuable tools for the protection of trademarks. The plaintiff will be granted an interlocutory injunction if the court is convinced that the plaintiff has a good chance to win the suit and that the balance of convenience leans in its favour. A plaintiff who superfluously delays action may not be granted interim remedies. There is no rule as to how much time must pass before it constitutes such a delay: this depends on the circumstances of each case. The main lawsuit, including the request for a permanent injunction, can be filed at any time within seven years of the date of infringement. However, in extreme circumstances, a superfluous delay might stop the plaintiff from bringing the claim to court.

If the plaintiff prevails, they are entitled to an injunction preventing the continuation of the infringements and, in some cases, destruction of the goods and a financial remedy.

**Administrative Proceedings**

According to the Customs Ordinance, Customs is entitled to detain imported goods that are suspected of infringing trademarks.

It is possible, although not mandatory, for rights holders to file a complaint while recording their registered trademarks with Customs. It is highly recommended that such a complaint be filed if the rights holder is aware of specific shipments of infringing goods bound for Israel or if they wish to bring certain trademarks to the attention of Customs.

Notwithstanding this, Customs is authorised to seize suspected goods (whether as a result of a complaint submitted by the rights holder or as a result of a random examination of shipments arriving in Israel). Once such goods are seized, Customs must send appropriate notice to the rights holder and the importer.

In most cases involving small shipments, Customs initiates a short procedure while agreeing to destroy the goods based on a written opinion submitted by the rights holder, in which it indicates the reasoning behind its belief that the goods are indeed infringing and provides that it will compensate the importer for any financial damage that may be inflicted as a result of the seizure, as well as joining Customs in any lawsuit initiated by the importer.

In other cases (mostly, when the shipment includes a high number of goods or expensive goods), Customs initiates a long procedure, under which the rights holder must file a lawsuit.
As an initial step, the rights holder must submit a bank guarantee to Customs to compensate the importer for any financial damage that may be inflicted as a result of the seizure or the filing of a lawsuit.

Whether a long or short procedure is being instigated, on receiving the customs notification, the rights holder has three working days (with a possible further three-day extension) in which to respond. To complete the short procedure, they may submit the required bank guarantee and relevant documents. Only after the bank guarantee has been submitted will Customs advise the rights holder of the importer’s details and allow it to obtain a sample of the seized goods. As such, if the rights holder decides to proceed with the short procedure, they will not receive any details regarding the shipment.

Upon filing the bank guarantee, the rights holder can either settle the matter amicably with the importer or file a lawsuit against it within 10 working days of the notice date (an extension of 10 further working days is available upon filing a reasoned request). Should the rights holder choose to take no further action, the goods will be released.

**Criminal Proceedings**

The knowing infringement of a trademark constitutes a criminal offence. In recent years, IP police units have been downsized and their action is now limited. However, the activity levels of local police stations that do not specialise in intellectual property have increased.

The police may act on the basis of information obtained by its own investigation or a complaint initiated by the trademark owner. The trademark owner (or its representative) is usually required to assist the police by giving a deposition and testify to the nature of the infringement. It is still possible for trademark owners to file private criminal complaints.

**OWNERSHIP CHANGES AND RIGHTS TRANSFERS**

**Assignment**

A pending or registered trademark may be assigned with respect to all or some of the goods or services covered thereby. The assignment should be recorded with the ITO, among other things, in order to avoid claims of non-use and to properly maintain any goodwill of the trademark. To record an assignment in Israel, a copy of the deed of assignment executed by the assignor is required. This must state that to the best of its knowledge the recordal of the assignment will not cause confusion among the public (if such statement is not included in the assignment document, a separate document may be provided). In addition, an executed power of attorney on behalf of the assignee is required.

**Licence**

Recordal of a licence agreement in Israel is mandatory. Recordal of a licensee or registered user can take place only with respect to registered rights. If a licensee is not recorded as a registered user, the trademark registration may be cancelled for non-use. Further, not recording a licence may have other implications, including regarding the goodwill of the mark and its associated owners. A recorded licensee can take action against infringements in certain circumstances.

To record the registered user, the licence agreement should indicate:

- the relationship between the owner and the authorised person, including the extent of the owner’s control over the authorised person’s use;
- the goods in respect of which authorisation is sought;
- the conditions or limitations that are to apply to the use of the mark;
- the period of validity of the authorisation, if its registration is requested for a
determinate period; and
- a statement that, to the best of the licensor’s knowledge, the recordal of the licence
will not cause confusion among the public (if the general agreement includes no
statement to this affect, a separate statement may be provided).

In addition, a power of attorney signed by the licensee should be submitted. No notarisation
or legalisation is required.

Merger
A copy of the merger certificate is required. The certificate must reflect a public official or
agency attesting to the merger. In addition, a power of attorney must also be filed.

Change Of Name
One of the following documents is required to record a name change with the ITO:
- a copy of the name change certificate, which attests to the change of name and is
  made by a public official or agency;
- a copy of the official publication of the change of name; or
- a copy of a notary confirmation indicating that the change of name was registered
  with the proper authorities in the owner’s incorporating country.

Change Of Address
One of the following documents is required to record a merger with the ITO:
- a copy of the merger certificate, which attests to the merger and is made by a public
  official or agency;
- a copy of the official publication of the merger; or
- a copy of a notary confirmation indicating that the merger was registered with the
  proper authorities in the owner’s incorporating country.

As all documents are filed electronically, simple copies are sufficient. However, the ITO
retains the right to request the original/certified documents, if necessary.

RELATED RIGHTS
Under specific conditions, a trademark logo that has artistic value or a slogan may be
protected under copyright law. Three-dimensional marks may be protected under design law.

The issue of trademarks overlapping with other IP rights is a complex one and has
barely been addressed by the Israeli courts. It appears that most cases will turn on their
circumstances, but clear guidelines have yet to be established. That said, the courts have
addressed the registration of 3D trademarks and slogans as trademarks, ruling that, in
certain cases, the shape of a product may be protected as a 3D trademark if it has acquired
distinctiveness and is used as a trademark, and that a slogan filed for registration should
be examined in the same manner as any other mark and should not be a priori considered inherently non-distinctive. These judgments were endorsed by the ITO.

ONLINE ISSUES

The Israel Internet Association (ISOC-IL) operates as the registry for domain names under the `.il` ccTLD. The IL-DRP is an alternative dispute resolution procedure intended to resolve disputes regarding the allocation of domain names under the `.il` ccTLD. It is not intended to create or replace judicial precedent or jurisprudence.

Under the rules for allocation of domain names under `.il`, the IL-DRP will review third-party challenges to an existing allocation of a domain name by ISOC-IL on a case-by-case basis. Disputes regarding the allocation of a domain name by a holder may be brought by a third party on the following grounds:

- the domain name is identical or confusingly similar to a trademark, trade name, registered company name or legal entity registration of the complainant;
- the complainant has rights in the name;
- the holder has no rights in the name; and
- the application for allocation of the domain name was made or the domain name was used in bad faith.

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