



Key Amendments to Chinese Trademark Law

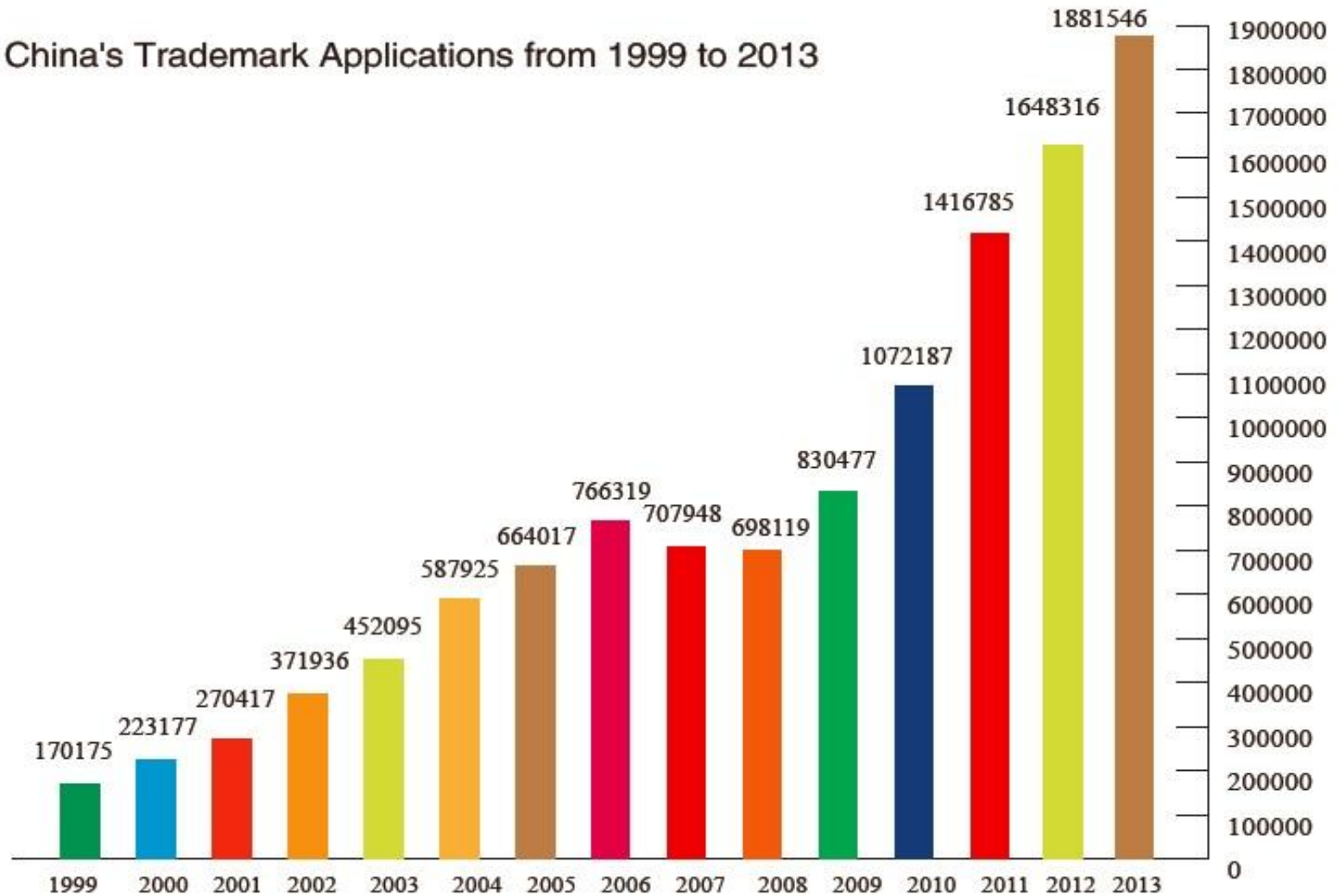
BRICS IP Forum 2014, Munich

Speaker: HU Gang



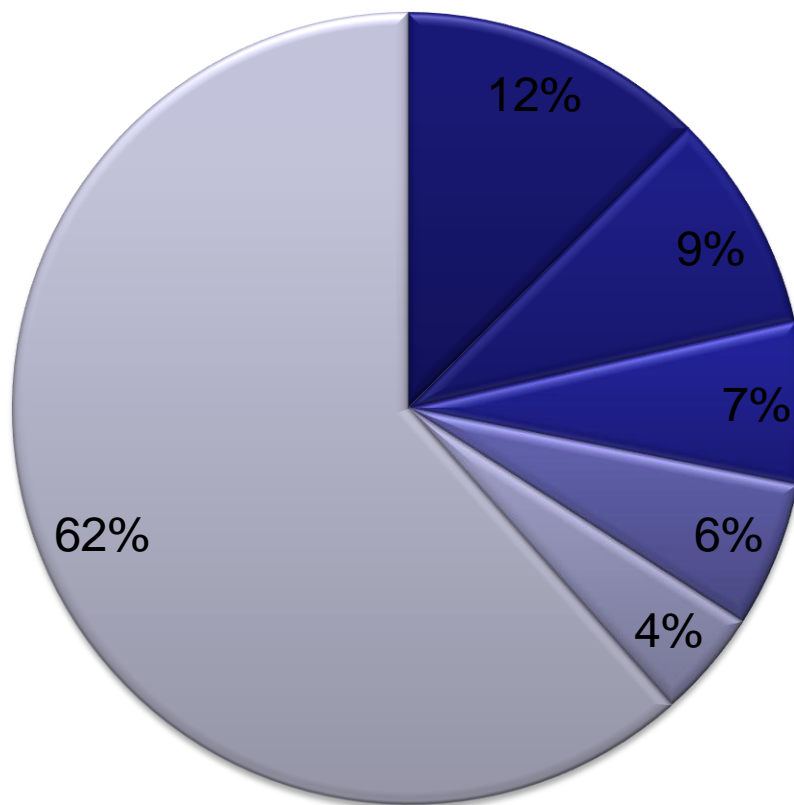
Background Data of Chinese Trademark Applications

China's Trademark Applications from 1999 to 2013



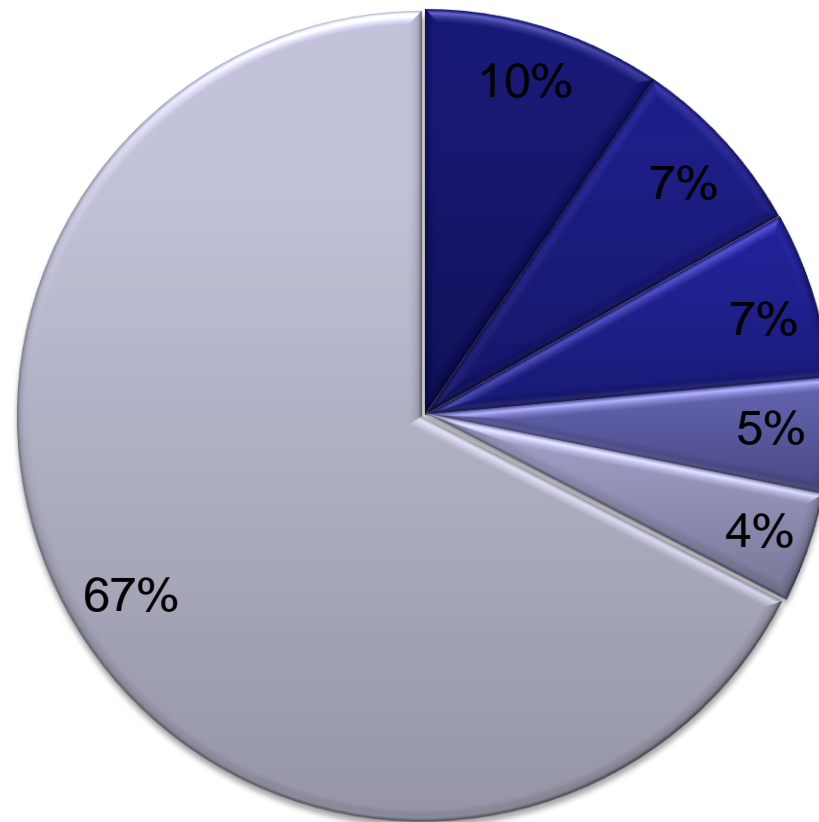
Top 5 Classes Filed by Domestic Applicants -2013-

■ 25 ■ 35 ■ 9 ■ 30 ■ 29 ■ others

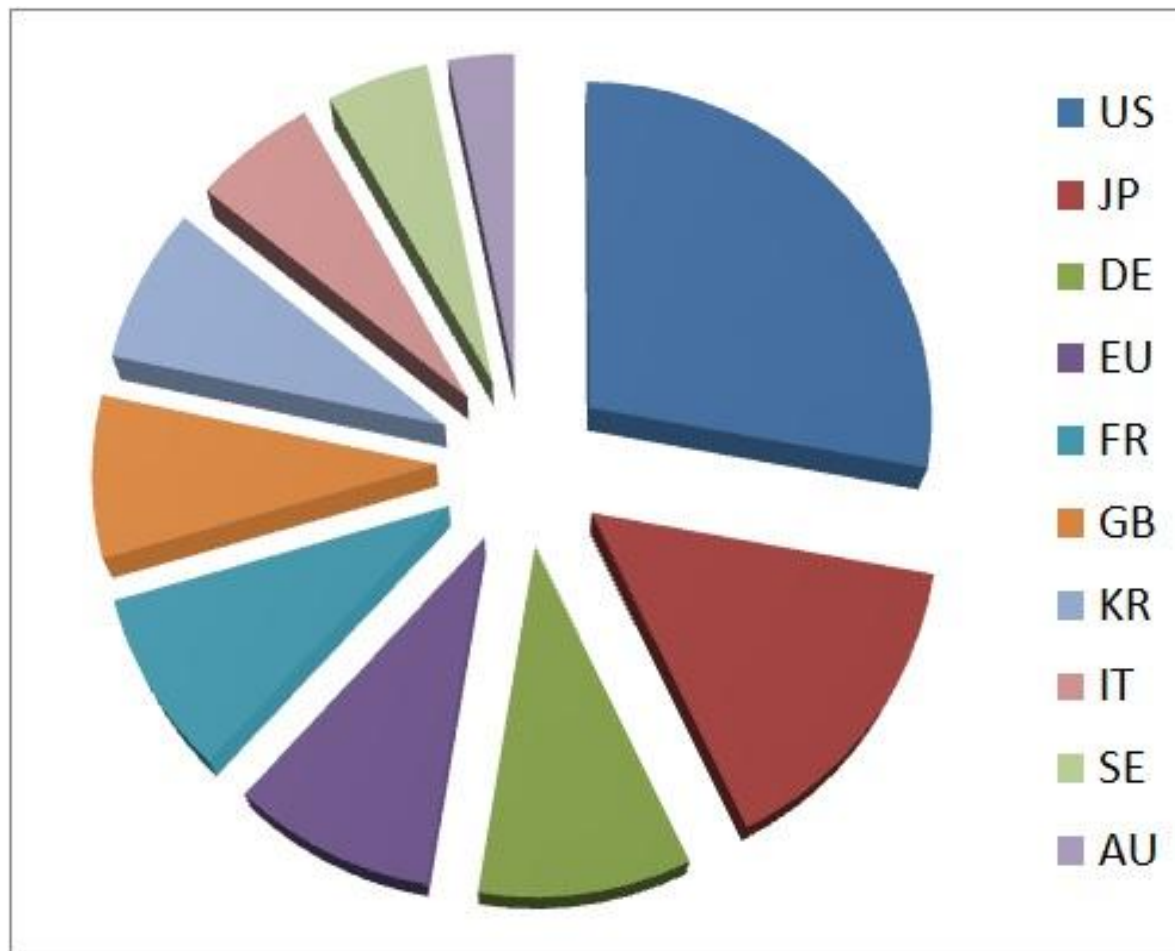


Top 5 Classes Filed by Foreign Applicants -2013-

■ 9 ■ 35 ■ 25 ■ 3 ■ 5 ■ others



Top 10 Foreign Countries/Regions on Filing -2013-





Amendments to Trademark Law

- **The China Trademark Law:**
 - promulgated in 1982 and amended in 1993, 2001 and 2014
- **Considerations for amendment in 2014 revision:**
 - to meet internationalized standards
 - to facilitate prosecution procedure
 - to tackle bad-faith applications
 - to reinforce trademark rights



to meet internationalized standards

- **Sound marks are protected (Article 8)**
- Any ~~visually perceptible~~ mark, consisting of words, devices, letters, numbers, three-dimensional marks, combined colors, **sounds, etc**, or the combination of said factors, that can distinguish the goods of a natural person, legal entity or other organization from those goods of others, can be applied as a trademark for registration.



to meet internationalized standards

- **Sound marks are protected (Article 8)**
- The wording "visually perceptible" was deleted.
- *With the inclusion of sound mark, many enterprises in China are seeking to be the vanguards for the first try.*



to meet internationalized standards

- **Well-known mark (Article 14-v)**
- The term “well-known mark” should NOT be used on goods, packages or containers of goods, or in advertising, exhibition or any other business activities.
- Violation of the stipulation of the non-publicity clause is subject to injunction and monetary penalty.



to meet internationalized standards

- **Multi-class application is allowed (Article 22-ii)**
- Multi-class registration brings high efficiency to administration of the trademark portfolios for brand owners.
- But... just looks well.



Multi-class application ?

Let's think it over.

- There is no difference in official fee between single-class application and multi-class application.
- The entire application will be delayed for further examination due to amendment on specifications of goods/services in one class.
- The applicant cannot split a multi-class application if someone files an opposition against only part of the goods/services or the applicant/registrant tries to assign partially.



to meet internationalized standards

- **E-Filing (Article 22-iii)**

- To provide sufficiency for trademark application procedure, the e-filing is allowed in the new law.
- *In fact, the experiment trail of the e-filing was kicked off in 2009.*
- *Due to the technical environment and formality requirement, the number of trademark e-filing is fairly low compared to the paper filing.*



to meet internationalized standards

- **Examination Opinion (Article 29)**
- Where necessary, the CTMO will issue Examination Opinion to request applicants to make explanation and amendments. The failure of making the reply shall not affect the CTMO's decision.



to facilitate prosecution procedure

- **Article 37 Untouched** (*Article 35 in 2001 Revision*)
- The application for trademark registration and the application for trademark review should be examined in a timely manner.

to facilitate prosecution procedure

Case	Authority	Time Limit (Month)	Extension (Month)
Trademark application	CTMO	9	No
Review on refusal of application	TRAB	9	3
Invalidation on absolute grounds filed by any party	TRAB	9	3
Cancellation	CTMO	9	3
Review on cancellation	TRAB	9	3
Opposition	CTMO	12	6
Review on opposition	TRAB	12	6
Invalidation on relative grounds filed by a interested party	TRAB	12	6

to facilitate prosecution procedure

Case	Authority	Time Limit (Month)	Extension (Month)
Trademark application	CTMO	9	No
Review on refusal of application	TRAB	9	3
Invalidation on absolute grounds filed by any party	TRAB	9	3
Cancellation	CTMO	9	3
Review on cancellation	TRAB	9	3
Opposition	CTMO	12	6
Review on opposition	TRAB	12	6
Invalidation on relative grounds filed by a interested party	TRAB	12	6



to facilitate prosecution procedure

- **Re-construction of opposition procedure (Article 35)**
- If the Trademark Office makes a decision on opposition in favor of the opponent, the trademark applicant may appeal the decision to the TRAB and may initiate legal proceedings in courts.
- However, if a decision is made against the opponent, the opponent could not appeal the decision. The opponent may take invalidation action with the TRAB after the concerned mark is registered.



to tackle bad-faith applications

- **Principle of honesty and credibility (Article 7)**
- “The application for registration and the use of a trademark shall be made in good faith.”
- *Anyway, this new rule could NOT be used as a general ground to prevent all sorts of bad-faith activities in the future.*



to tackle bad-faith applications

- **Widen scope of infringers (Article 15-ii)**
- A trademark shall not be registered on identical or similar goods/services if the mark has been used by others and the applicant knows the mark through contractual, transactional or other relationships with the prior user, if this prior user raises an opposition.

to tackle bad-faith applications

- **Deter bad faith oppositions (Article 33)**
- **Owner of prior right or interested party** may take opposition action against a published trademark application on relative ground and **any person** may take opposition action on absolute ground.
- *Qualification of the opponent.*



to tackle bad-faith applications

- **Duty of Trademark Agents (Article 19-iii and iv)**

- Trademark agents should refuse to act where they know or ought to know that their clients are making a bad-faith pre-emptive application of others' marks or an application that would infringe others' prior rights.
- Trademark agents are not allowed to apply for marks in their own names for the purpose of making profits.



to tackle bad-faith applications

- **Non-use defense against damage claim (Article 64)**
- A defendant may request that the trademark owner demonstrate the actual use of its trademark and failure to prove actual use may result in no damages being awarded.
- *This provision could arguably help legitimate brand owners if they are sued by trademark squatters.*

to reinforce trademark rights

- **Right of prior use (Article 59-iii)**
- “Where, prior to the application date of the registered trademark, a person has been using a trademark identical with or similar to such registered trademark in respect of the same or similar good, **and such use has started before the registrant of the registered trademark** and has acquired a certain influence, the holder of the registered trademark has no right to prohibit such person from continuing using his trademark within its previous usage range..”



to reinforce trademark rights

- **Tools used for infringing activities (Article 60)**
- If the administrative department for industry and commerce believes the infringing act is true, it may order the infringer to stop the infringing act, confiscate and destroy the infringing goods and the tools **mainly** used to manufacture the infringing goods or counterfeit the sign of the registered trademark, and impose a fine.



to reinforce trademark rights

- **Punitive damages (Article 63-i)**
- The final version of the amendments introduce punitive damages. Punitive damages up to three times the damages assessed in accordance with the specific methods are possible in case the infringement is intentional and causes serious consequence.



to reinforce trademark rights

- **Burden of proof on infringement (Article 63-ii)**
- The new law mitigates trademark holders' responsibility in providing proof of infringement, saying the alleged offenders shall provide their account books or other materials for investigation. Otherwise, compensation amounts could be determined according to the amounts proposed by trademark holders.



to reinforce trademark rights

- **Increased statutory damages (Article 63-iii)**
- The statutory damages are increased from RMB 0.5 million to 3 million.



Thank you for your attention!