

AMENDMENTS TO THE CHINESE TRADE MARK LAW

Effective 15 September 2002

Brief Summary

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1. Background

Revisions to the Chinese Trade Mark Law came into force on 1 December 2001, but the associated revised Implementing Regulations were published in August 2002 and came into force on 15 September 2002. Applications for trade mark registration, assignment, amendment, renewal and opposition, as well as cases before the Trademark Review and Adjudication Board (TRAB) which were still pending on 1 December 2001 are now being or have been examined under the revised Trade Mark Law. However, trade mark infringement activities that occurred before 1 December 2001 continue to be dealt with under the old Trade Mark law.

2. Definition of a Trade Mark – 3D and Colour Only Marks Now Registrable

The amended law now defines a trade mark as any “visually perceptible” mark able to distinguish the goods/services of one undertaking from the goods/services of other undertakings. Three-dimensional marks, colours, letters, numbers and of course words and devices, and any combination thereof, as well as collective and certification marks are specifically included. Smells and sounds, not being “visually perceptible” marks, would appear to have been excluded. The wording “able to be represented graphically” used in the laws of other countries has not been adopted.

3. Power of Attorney still a Minimum Requirement

In order to file a Chinese trade mark application, we still need at least a facsimile copy of a power of attorney. A suitable power of attorney is included together with this note. The power of attorney cannot be late filed.

4. No Responses to Examination Reports on Substantive Examination

As part of a preliminary examination, trade mark applications first have an examination of the specification of goods/services. Any objections to the specification of goods are detailed in a “Correction Notice” to which applicants used to have only 15 days to respond. This has been extended to 30 days in the new Implementing Regulations. This is followed by a substantive examination of the mark (including an assessment of distinctiveness and a search of the Trade Marks Register for conflicting marks). Under the old Law, an Examination Report would issue that allowed 30 days to reply with a 30 day extension, but under the new Implementing Regulations, there is no provision for any response to the Examination Report. The Examination Report will either approve or refuse the application for some or all of the goods/services applied for. Any objections to a refusal must be taken up with the Trade Mark Review and Adjudication Board and there is only a 15 day period provided for requesting review on refusal.

5. Geographical Signs Clarified

New provisions concerning geographical marks have been included which prohibit both the registration and use of a mark where a geographic indication concerning the goods covered by the mark is included as *part* of the mark, but the goods do not come from the geographic location indicated in the mark and this is misleading to the public.

6. Decisions of the Trade Mark Review and Adjudication Board (TRAB) Can Now be Appealed; New Time Limits

If a trade mark application or an opposition request is refused, the applicant may file a request for review on refusal with the Trade Mark Review and Adjudication Board (TRAB), a panel of senior examiners. The time limit for this has been *reduced to 15 days with no extensions*, although supplementary evidence may be late filed within 3 months. Open hearings may now be requested. Cancellation actions are also considered by the TRAB. All TRAB Decisions were final under the old law, but an appeal to the People’s Courts has now been provided for.

7. Marks May Now be Registered if Acquired Distinctiveness Can be Demonstrated

Previously, there was no concept of acquired distinctiveness in the Chinese Trade Mark Law, but new Article 11 has included this possibility. However, a time limit of only 3 months is provided for filing evidence of use.

8. Codification of Protection for Unregistered Marks

New provisions have been added to assist trade mark owners whose marks have been misappropriated but who have no trade mark registration in China, codifying much of what has been happening in practice to date.

9. Opposition Deadlines and Partial Refusal

Unfortunately, the opposition deadline still expires *one day before* the three month anniversary of the publication date, but supplementary evidence may now be filed within three months of the date of filing the opposition action, which is an improvement on the previous one month time limit.

An opposition can now be successful in achieving refusal of an application in respect of part of the goods/services covered by the mark, with the mark going on to be registered for only the remaining goods/services. Previously an opposition had to be successful in respect of all the goods/services or not successful at all. This is a welcome development.

10. No Re-Examination on Renewal

Unlike the renewal procedure in other countries, Chinese trade mark registrations were re-examined each time they were renewed and applications for renewal were sometimes refused on the ground that the mark was no longer registrable. These provisions have been removed from the new Implementing Regulations and the renewal process should now be much less burdensome.

11. Assignments and Changes of Name may be Recorded against Pending Applications

A welcome development is the provision in the Implementing Regulations for the recordal of assignments and changes of name against pending applications, but recordal will be refused unless all registrations in the old name are simultaneously assigned/changed. Assignees now only have exclusive rights in a mark after the date on which the recorded assignment is published in the Chinese Trade Mark Journal.

12. Co-Ownership of Trade Mark Registrations

Co-ownership of trade mark registrations is now permitted.

13. Marking No Longer Compulsory

Marking registered trade marks with an indication that they have been registered is no longer compulsory.

14. Tentative Provisions on Well-Known Marks Now Incorporated into the Law; Well-Known Status Can be Applied for During Examination and Used to Cancel Conflicting Business Names

The requirements of the Paris Convention and the provisions of the Chinese "Tentative Provisions for the Recognition and Administration of Well-Known Trade Marks" promulgated on 14 August 1996, have now been inserted into the Chinese Trade Mark Law. Further, a new rule now allows for a mark to be recorded as a well-known mark during examination proceedings, in order to achieve cancellation of a conflicting mark without having to abandon the pending application. Also, a recordal as a well-known mark may be used to cancel a conflicting business name listed on the Chinese Business Names Register. Further details concerning well-known trade marks are now set out in "Provisions for the Establishment and Protection of Well-Known Trademarks" issued by the State Administration for Industry and Commerce which came into effect on 1 June 2003.

15. Grounds of Cancellation; Cancellation Deadlines; Partial Cancellation

The cancellation provisions have been expanded to include a number of different cancellation scenarios each with their own time limits. A registration can now be cancelled in respect of part of the goods/services covered by the mark, and retained in respect of the remaining goods/services. This is a welcome development. Previously a mark was cancelled in respect of either all the goods/services or not cancelled at all.

16. Amendment of Obvious Errors Now Permitted

Obvious errors in both application and registration documents may now be corrected, at the discretion of the Trade Mark Office.

17. New Infringing Act Added, Provisions for Innocent Infringement

A new infringing act has been added in Article 52 of the amended Law: "to alter the mark without the permission of the proprietor of the registered trade mark and to sell goods bearing the altered mark". Provisions concerning innocent infringement have also been included where suspected infringers can prove that they acquired the goods concerned legally and they can provide full details of the supplier of the goods as well as being able to prove that they did not know the goods infringed the legitimate trade mark rights of others. Such persons will not be liable for payment of any compensation or damages (though it would appear they would still technically be considered to be infringing).

18. Courts – Provisions for Interim Injunctions; Administrative Authorities – Powers Modified

Actions for infringement of Chinese trade mark registrations may be taken to the People's Courts or to certain Administrative Authorities. Administrative Authorities no longer have the power to direct infringers to pay damages (though they can mediate between the two parties on the issue of damages).

It is now possible to apply to the Courts for an order for cessation of infringing activities prior to instituting legal proceedings and property preservation orders available under the Civil Procedure Law have been specifically referenced in the amended Trade Mark Law, though these were available previously. Further provisions have been added concerning evidence preservation orders for which payment of security is now at the Court's discretion (whereas under the Civil Law it is compulsory).

Guidelines have been provided for the calculation of damages and these can now include awards for legal costs.