

NEW RULES FROM THE TRAB

(Chinese Trade Mark Review and Adjudication Board)
Effective 17 October 2002

1. The TRAB and its Rules

After a Chinese trade mark application has received its substantive examination (which follows the preliminary examination including an examination of the specification of goods/services), it will either proceed to publication or will be refused. There is no longer any provision for responding to a substantive examination report. If the applicant wishes to proceed with an application that has been refused, a request for review on refusal must be made to the Trade Mark Review and Adjudication Board (the TRAB), a panel of senior examiners. Opposition appeals and Cancellation actions are also considered by the TRAB. The TRAB Rules govern TRAB practice and the new Rules contain some important new provisions, as summarised below.

The Rules have been issued in order to bring TRAB practice in line with the provisions of the new Chinese Trade Mark Law, which came into force on 1 December 2001, and the Implementing Regulations, which came into force on 15 September 2002. For notes on the new Law, please visit the *publications* page of our website www.lloydwise.com or ask us for a copy.

2. Time Limits

The time limit for requesting review on refusal of a trade mark application is now only 15 days. The time limit for filing evidence in support of a review on refusal of an application/opposition or a cancellation action is three months. Previously it was, in practice, possible to file evidence up until the date on which the case was heard, which was always at least one year from the date of application for review or adjudication and usually 18 months to two years. Unfortunately, this practice is unlikely to continue, but we understand that new evidence, in addition to that filed within the initial three month period, will be accepted outside the three month deadline.

This three month time limit is further complicated by the fact that non-original evidence must now be both notarised and *legalised and all evidence must be translated into Chinese, all before* the three month deadline. No extensions are available. Further, the Trade Mark Office will only accept documents up until 3:30pm on the due date. This means that documents cannot be faxed to Beijing on the last day of the 3 month period. We will need to send originals before the due date and clients must also allow at least a week or two for translation of all documents.

The rules do mention that notarisation and legalisation will be required on the principal of reciprocity. However, the TRAB have not provided any clear guidelines as to what sort of reciprocity arrangements will be respected. It may well be that legalisation will not be required if the applicant's home country does not require Chinese applicants to legalise documents, but at present the TRAB are not able to give us a clear answer on this. We have been informed that the TRAB's position is that it is up to the applicant to prove to the TRAB's satisfaction that legalisation is not required of Chinese applicants in the applicant's home country. We are not sure exactly what proof will be acceptable and will let you know as soon as we have further information on this.

The new requirements will make it difficult for any evidence to be filed on time and the requirement for Chinese translations of all evidence will significantly increase costs. Complaints to the Trade Mark Office have met with the response that if foreign applicants find the provisions and time limits difficult, they should complain directly to the Trade Mark Office. The Trade Mark Office does not believe the provisions will provide any difficulties, at least to Chinese applicants. Should you wish to write a complaint letter, we would be happy to forward it to the Trade Mark Office.

3. Order of Proceedings

The following is now the order of proceedings for reviews on refusal of applications/oppositions and for cancellation actions:

For applications and oppositions

- The trade mark application or opposition is refused;
- The applicant files a request for review on refusal (within 15 days for an application or 30 days for an opposition);

For cancellations

- The applicant files a cancellation request;

For all cases

- The applicant files supporting evidence (within three months);

For cancellation actions and reviews on refusal of oppositions:

- The applicant's request and evidence are forwarded to the respondent;
- The respondent files a counterstatement (within 30 days); the respondent may request an open hearing at this time;
- The respondent files supporting evidence (within 3 months);
- The respondent's counterstatement and evidence are forwarded to the applicant;
- The applicant replies to the counterstatement (within 30 days); the applicant may request an open hearing at this time (within 15 days);

For all requests:

- The TRAB selects an examining panel and informs both sides of their selection;
- Both sides have the right to ask for panel members to be changed within 15 days and once the panel is finalised the TRAB will proceed with consideration of the case (but a request for panel members to be changed may be filed at any time before the TRAB's decision issues should new relevant information about the panel members come to hand);
- The TRAB decision issues;
- Either side may appeal to the People's Courts should they disagree with the TRAB decision (within 30 days);
- If the Court refers the case back to the TRAB for reconsideration, a new panel will be convened.

Previously, the applicant was not given an opportunity to review or respond to the counterstatement, the make up of the panel was secret and the TRAB hearings were not open to the public, so the above new provisions are most welcome developments.

4. Filing Requirements for Requests made to the TRAB

The rules technically require all applicants to provide a notarised and legalised copy of a power of attorney and their business registration certificate or identity document on filing but the volume of complaints about these new requirements has seen the TRAB capitulate. The power of attorney and copy of business registration must still be provided but do not require notarisation or legalisation.

5. Open Hearings

The TRAB may allow an open hearing where either party (or the TRAB itself) wishes to verify or debate issues relating to pivotal evidence and where it is deemed necessary for witnesses to testify in support of statements made by either side. Whilst this sounds an exciting development, as the TRAB has a backlog of over 20,000 cases (which will likely increase significantly since the Implementing Regulations removed the right to reply to examination reports), we are informed that the TRAB are only likely to permit a few cases a year to be heard in an open hearing.

A maximum of four people from each side may attend a hearing, including the agent.

6. Form of Evidence

As mentioned in Item 2 above, non-original evidence must be both notarised and legalised (on the principal of reciprocity). Evidence that does not require notarisation and legalisation includes:

1. Original documents and declarations (declarations must be accompanied by a copy of the signatory's identity papers);
2. Popularly known facts;
3. Matters which can be inferred according to Law;
4. Matters already proven according to Law;
5. Matters which can be inferred from day-to-day experiences;
6. Original objects or, if the object is difficult to provide, photographs, replicas, parts or videos thereof;
7. Original computer generated data, video and audio recordings (but audio recordings and verbal content of videos must be transcribed and translated).

Note that video and audio recordings will only be accepted if they clearly appear genuine and were lawfully obtained and supported by other evidence.

For large volumes of evidence, for example copies of worldwide registration certificates, it is suggested that the evidence be bound and indexed and then notarised and legalised as a single item.

7. Withdrawal of Application to TRAB

Previously, the TRAB would continue to consider the validity of a registration or application even if the applicant wished to withdraw a review on refusal of an application/opposition or cancellation action and/or the two sides came to a mutually acceptable agreement. The TRAB could still refuse or cancel a registration if they deemed it in the public interest to do so, even if the party or parties concerned no longer wished to continue. Under the new Rules, however, it is now possible to withdraw any case before the TRAB, on the applicant's request, including in situations where the two sides have settled the issue between themselves. This is a welcome development.

8. Transitional Provisions

There were no transitional provisions included in the new Law or its Implementing Regulations. There are some transitional provisions included in the TRAB Rules but these, of course, only concern cases taken to the TRAB. They are as follows:

For all marks rejected for the following reasons, and where the mark was refused before 1 December 2001 (when the new Law came into force), but a request for review on refusal or adjudication was filed *after* 1 December 2001, the new Law applies:

- a. There are joint applicants (Art. 4);
- b. The mark is not one of the permitted types of marks (Art. 8)
- c. The mark is not sufficiently distinctive (Art. 9(1));
- d. The mark is one of the prohibited marks (Art. 10(1));
- e. The mark is generic, descriptive or indistinctive (Art. 11);
- f. The mark is a type of 3-D mark that is not permitted under the law (Art. 12);
- g. The mark is a copy, imitation or translation of a well-known mark not registered in China (Art 13);
- h. The application is in the owner's agent's or representative's name, without approval (Art. 15);
- i. The mark is a geographical sign that is not permitted under the law (Art. 16);
- j. The application was filed outside the priority period (Art. 24);
- k. The application was filed claiming priority from the date of first use at an approved exhibition (Art. 25);
- l. The application affects the prior rights of others or concerns a mark owned by others and has been filed without the owner's permission (Art. 31).

Refusal on all other grounds occurring before 1 December 2001 will be dealt with under the old law even if a request for review on refusal or adjudication was filed after 1 December 2001. All requests for review or adjudication filed before 1 December 2001 will be considered under the old Law.

For cancellation actions on the ground that the applicant owns a conflicting registration or preliminarily approved mark concerning marks registered before 1 December 2000, the time limit for requesting cancellation will be as under the old Law (one year). Otherwise, the new five year time limit applies.