

Current Law, Practice in PRC

PRC Trademark Law, current practice summarized; protects exclusive rights of foreigners as well as Chinese

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The Trademark Law of the People's Republic of China, which came into effect March 1, 1983, aims at protecting the exclusive right to use registered trademarks in China for the Chinese as well as foreign registrants. It will play an important role in promoting the development of a socialist-commodity economy of the People's Republic of China and furthering her overseas trade and economic relations with other countries in the world. The following is a summary of the new law and the current practice concerning trademarks in China.

14 REGISTRABILITY OF A TRADEMARK

In order to be registrable, a trademark using words, designs or a combination thereof must be distinctive. The following marks are not registrable:

1. Those identical with or similar to the State name, national flag, national emblem, military flag or decorations of the People's Republic of China.
2. Those identical with or similar to State names, national flags, national emblems, military flags, of foreign countries.
3. Those identical with or similar to the flags, emblems, or names of international intergovernmental organizations.
4. Those identical with or similar to the symbols or names of the Red Cross or the Red Crescent.
5. Those relating to generic names or designs of the goods in respect of which the trademark is used.
6. Those having direct reference to quality, contents, function, use, weight, quantity or other descriptive features of the goods in respect of which the trademark is used.
7. Those being insulting to any nationality.
8. Those suggesting exaggerated claims likely to deceive consumers.
9. Those detrimental to socialist morals or customs, or having other unhealthy influences.

The law does not recognize the registrability of service marks.

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DOCUMENTS REQUIRED FOR FILING TRADEMARK APPLICATIONS AND OTHER MATTERS

When applying for trademark registration, the applicant is required to provide an original and one copy of both a Power of Attorney and a written application for each mark in each separate class of goods according to the Chinese classification system. Each application must be accompanied by 15 reproductions of the mark, each reproduction having dimensions not to exceed 10 cm in either length or width. If a color trademark is involved, two more reproductions in black and white must also accompany the application.

Pharmaceutical manufacturers, distributors, and sellers should be aware that, once a pharmaceutical comes to the Chinese market, the registered trademark must appear on product labels. As of August 1, 1984, trademark applications for pharmaceutical products for human use must be accompanied by a certificate authorizing its manufacture, issued by the competent department of the government or relevant agency of the applicant's country.

When applying for renewal of a registered trademark, the registrant is required to provide an original and one copy of both a Power of Attorney and a written application accompanied by five reproductions of the mark.

When filing an assignment of a registered trademark, an original and one copy of both a Power of Attorney and a written application are required. The original Chinese certificate of the registered trademark shall be returned. Similar requirements exist when filing a change of registrant's name or address, except that a Power of Attorney is not necessary. However, in order to record a change of name, a certificate obtained from the registrant's government, evidencing the changed name, must be provided.

When applying for recordal of a trademark license, an original and one copy of a written application must be submitted, accompanied by three photocopies of the license.

All Powers of Attorney and other evidentiary documents must be duly notarized, and requirements for legalization shall be based on the principle of reciprocity.

At present there are 78 classes in the Chinese classification system. When applying for registration separate applications must be filed for goods in different classes and the goods should be described with particularity.

THE APPLICATION PROCEDURE, EXAMINATION AND REGISTRATION

Only when all the requirements for filing have been met will the Trademark Office accept an application. A filing

receipt indicating the filing date and serial number will be issued to the applicant.

The application will undergo examination and, in the event the mark is found to be registrable after consideration of conflicts with other registered and pending marks, the examiner will advance the application to a publication stage. Within three months from the date of publication, any person may file an opposition against the trademark. If no opposition is filed, or if an opposition is dismissed, registration is approved, published, and a trademark registration certificate issued.

In the event registration is refused or if an unfavorable decision occurs in an opposition, an applicant may, within 15 days from receipt of such a decision, apply for a review by the Trademark Review and Adjudication Board, stating reasons in detail as to why the adverse decision should be reversed. The board will then make a final decision. Two extensions of the time, each of which cannot exceed 30 days, may be obtained for applying for a review.

The practice of disclaiming portions of a mark during the examination process is not acceptable in China. To overcome related obstacles during prosecution, applications often restrict the designated goods concerned or delete the objectionable part of the mark. Likewise, the practice of applicant and registrant entering into a consent agreement is not acceptable.

The term of a registered trademark is 10 years from the date of registration. When the registrant intends to continue using the registered trademark beyond expiration of the term, an application for registration renewal must be made within six months prior to expiration, but an extension period of six months is allowed. If no application is filed by the expiration of the extension period, the registered trademark is canceled. The term of each renewal is 10 years.

TRADEMARK DISPUTES AND INFRINGEMENT

Any person disputing the registration of a trademark may, within one year from the date of its registration, apply to the Trademark Review and Adjudication Board for adjudication of the dispute. The interested party must respond with its counter-arguments within a specified period, then the Trademark Review and Adjudication Board makes a final decision as to whether the registration should be canceled.

Registration of trademarks by the Trademark Office entitles the registrant to the exclusive right to use the trademark in connection with the specified goods. Any of the following acts is an infringement of the exclusive right:

1. To use a trademark that is identical with or similar to the registered trademark with respect to the same or similar goods without the authorization of the proprietor of the registered trademark.
2. To make or sell goods bearing the registered trademark without authorization of the proper proprietor.
3. To cause, in other respects, prejudice to the exclusive right to use the registered trademark.

The party whose right is infringed may request the Administrative Authority for Industry and Commerce, at or above the county level, and at the location of the infringer, to investigate the matter. This agency has the authority to order the infringer to stop the infringing act

immediately and to compensate the infringed party for the damages suffered. The amount of compensation is either the profit that the infringer has earned through the infringement during the period of the infringement, or the damage that the infringed party has suffered through the infringement during the period of the infringement.

If the infringement is inexcusable, the Administrative Authority may, in addition, impose a punitive fine. A party dissatisfied with the decision of the Authority may institute appeal proceedings with the People's Court within 15 days from the receipt of the agency's decision. If no appeal is instituted and the party against whom judgment is rendered by the Administrative Authority fails to perform as ordered after expiration of the appeal period, the Authority may ask the People's Court for compulsory execution.

Where the exclusive right to use the registered trademark is infringed, the party whose right was infringed may institute proceedings directly with the People's Court.

CANCELLATION OF A REGISTERED TRADEMARK

When a trademark registrant commits any of the following in using its mark, the Trademark Office shall order it to rectify the situation within a specified period or shall cancel its registered trademark:

1. Where any words, design, or their combination of the registered trademark is altered unilaterally.
2. Where the name, address or other such information concerning the registrant is changed unilaterally.
3. Where the registered trademark is assigned unilaterally.
4. Where the registered trademark has ceased to be used for three consecutive years.

According to the Implementing Regulations Under the Trademark Law of the People's Republic of China, required use of a trademark includes use in advertising or exhibitions.

When the registered trademark is used on goods which are of poor quality so that consumers are deceived, the Administrative Authority for Industry and Commerce will, according to the circumstances, order rectification of the situation within a specified period and may, in addition, circulate a notice of criticism or impose a fine, or the Trademark Office may cancel the registered trademark used in connection with such goods.

Any party dissatisfied with the decision of the Trademark Office to cancel a registered trademark may apply for review within 15 days from receipt of notice of cancellation, then the Trademark Review and Adjudication Board makes a final determination. For good cause the dissatisfied party may ask for two extensions of time to file for review, each of which shall not exceed 30 days.

AGENTS

Any foreign party intending to apply for registration of a trademark in China must file an application in accordance with any agreement concluded between the People's Republic of China and the applicant's country, or according to the international treaty to which both countries are parties, or on the basis of the principle of reciprocity. According to the provisions provided in the Implement-

ing Regulation under the Trademark Law of the People's Republic of China, foreign trademark applicants and registrants must entrust the Trade Mark Agency of the China Council for the Promotion of International Trade (CCPIT) to act on its behalf.

The Trade Mark Agency of CCPIT, while being so authorized by a foreign applicant, shall proceed with an application to the Trademark Office for the registration of a trademark, for renewal or assignment of a registered trademark, for modification of the name or address of the registrant, for recordal of trademark license contract, for adjudication of disputes or litigation of infringement con-

cerning a registered trademark, or for other matters in respect of obtaining and maintaining the exclusive right to use a trademark.

The Trade Mark Agency of CCPIT has acquired 27 years of extensive experience in handling trademark matters for foreigners. The agency has already established business relations with over 300 trademark and patent agencies or law offices in over 90 countries in the world. With the implementation of the new Trademark Law, the agency will do still more and render better service for foreigners interested in acquiring trademark protection in China.