

TRADEMARK PROTECTION IN CHINA

■ PATENT AND TRADEMARK PROTECTION

Since China has a centralised registration system, the assessment and registration process is relatively straightforward.

It is important to note that China uses the 'first-to-file' system, meaning that companies may lose legal protection in China if a similar mark has already been registered within China. China is a member of the Paris Convention and WTO, so you ought to file in China within six months of registration of the same mark in Europe in order to keep the original application date. Use of a trademark is defined as 'use on the goods, packages or containers, or on trading documents, in advertising, an exhibition or any other business activities' to avoid a request for non-use.

■ TRADEMARKS

What is a trademark?

A trademark is a sign that serves the specific and primary purpose of identifying the goods or services of a producer, thus allowing the consumers to distinguish goods or services of one producer from those of another.

What can be registered as a trademark?

The sign may be composed of words, devices, letters, numerals, three-dimensional signs (shapes), combinations of colours or any combinations of the above.

Trademarks in Chinese

Chinese consumers are likely to find a Chinese name for foreign trademarks either by way of translation or by transliteration. It is advisable to register a Chinese version of a foreign trademark. Indeed, the registration of a trademark in roman characters does not automatically protect the trademark against the use or registration of the same or similar trademark written in Chinese.

■ REGISTRATION PROCEDURE

A trademark can be registered either through the 'national system' implying a direct application to China's Trade Mark office (TMO) or through the 'international system' meaning an application to the World Intellectual Property Organisation (WIPO).

National System

To begin, select a trademark agent from the official list. The involvement of a trademark agent for the filing of the trademarks



at the TMO is advisable for all companies, particularly new entrants to the Chinese marketplace, and mandatory for foreigners without residence or place of business in China. National applications can only be made in Chinese. For trademarks applied for directly in China, a separate application must be filed for each class. National registrations are protected for 10 years (renewable).

International System

Trademarks can also be registered under the international system administered by the World Intellectual property office (WIPO) in Geneva. For more information, visit www.wipo.int

Lodging a complaint: Administration for Industry and Commerce (AIC)

A complaint can be lodged with the local trademark bureau of the Administration for Industry and Commerce (AIC), above the coun-



ty level, where the infringement is committed (manufacture, sale, storage, etc.), specifying the trademark rights of the owner (a copy of the trademark registration certificate) and providing any evidence of the infringement (sample of the infringing product, for example). This action is mainly of a 'practical' nature and is aimed at investigating and seizing.



At the end of a raid, if the AIC is satisfied that an infringement has been committed, it will order the infringer to stop the infringing acts immediately. In principle, AIC should systematically confiscate and destroy the infringing goods and the tools specially used for manufacturing the infringing goods or labels.

The AIC may also impose fines. The amount of the fine depends on the size of the illegal business, and cannot exceed three times this amount. However, the calculation of the 'illegal business' is not an easy matter since in most cases the infringer does not produce any accounting material, and reference to the price of authentic goods is still not as a rule accepted by the Chinese authorities. If the fine cannot be easily calculated, a fixed amount may be decided by AIC, with a maximum of RMB 100 000.

AIC cannot grant compensation, it can only act as a mediator. Assessing and granting compensation is therefore within the exclusive jurisdiction of the People's Courts.

■ CIVIL PROCEDURE

The civil procedure for the protection of trademark is operated according to the following steps:



A complaint needs to be filed with the civil division of the People's Courts.

The court decides on a date for a pre-trial hearing, during which evidence is examined and discussed by the parties before the court.

In theory, the court may act as fact finder and order inspection, but usually, evidence is produced by the parties themselves. At the end of the hearing, the court asks the parties if they wish to settle the dispute. The judgment is

delivered within a few months, depending on the complexity of the case.

■ CRIMINAL PROCEDURE

Activities concerning trademark crime:

Manufacturing or knowingly selling counterfeits

Forging or selling unauthorised representations of a trademark

Public prosecution

Generally, criminal cases are brought before the court by a bill of indictment of the People's Procuratorate. Criminal trademark cases are relatively uncommon as the threshold of value of counterfeited goods relatively high. However, Criminal prosecutions can yield much sterner sentences for infringers.



Source:

China IPR SME Helpdesk - The China IPR SME Helpdesk is a European Commission funded project that provides free, practical business advice to European SMEs. The helpdesk provides expert advice through training, online resources and the Beijing based Helpdesk, where IPR experts are on hand to advise European business on China IPR. To learn about any aspect of Intellectual Property Rights in China, visit the online portal www.china-iprhelpdesk.eu.

For expert advice on China IPR for your business, contact enquiries@china-iprhelpdes.eu

